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21 July 1983

LATIN AMERICA REPORT

No. 2711

CONTENTS

ENERGY ECONOMICS

INTER-AMERICAN AFFAIRS

- Caribbean Said To Have Excess Oil Refining Capacity
(Various sources, various dates) 1
- Barbados Proposals
Review of CARICOM Situation, by Trevor Farrell

COLOMBIA

- Petroleum Exploration, Interoceanic Canal, Cerrejon Discussed
(EL ESPECTADOR, 30 May 83) 4
- Petroleum Production Outlook, Failures Viewed
(Luis Rosendo Rojas; EL SIGLO, 3 Jun 83) 7

GUATEMALA

- Oil Search Continues in El Peten After Negative Tests
(PRENSA LIBRE, 26 Jun 83) 10

GUYANA

- Government Asked for Offshore Oil Exploration Extension
(GUYANA CHRONICLE, 9 Jun 83) 12

JAMAICA

- Petroleum Corporation Seeks IDB Loan for Exploration
(THE DAILY GLEANER, 18 Jun 83) 13

PERU

PETROPERU Issues 1982 Annual Report (EL COMERCIO, various dates)	14
Internal Demand Met Profits Totaled 4.383 Billion Soles	

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

Association of American Lawyers Supports Nicaragua (EL NUEVO DIARIO, 29 May 83)	17
Cuban Professor Describes His Work in Nicaragua (Sergio Colina Socorro; JUVENTUD REBELDE, 18 May 83) ...	19
Jamaican Businessmen Hit Trinidad-Tobago Land Act (Shelley Lambie; THE SUNDAY GLEANER, 12 Jun 83)	21
Cuban Aid to Sugar Industries in Other Countries (Raul Lazo; BOHEMLIA, 13 May 83)	24
Cuba's Escandell Meets With Union Officials in Mexico (TRABAJADORES, 23 May 83)	27
Jamaican Commentator Raps U.S. Policy on Grenada, Region (Vincent Tulloch; THE DAILY GLEANER, 11 Jun 83)	28
Briefs	
Bolivian-Cuban Relations Demands	30
Cubans Work on Nicaraguan Railroad	30

ARGENTINA

Communist Party Leader on Coalition Plans, Other Issues (SIETE DIAS, 29 Jun 83)	31
Iglesias Rouco on Dangerous Foreign Policy (J. Iglesias Rouco; LA PRENSA, 5 Jul 83)	37

BOLIVIA

Briefs	
Military Volunteer Assistance	40
World Bank Credit	40

BRAZIL

Daily Comments on Latest Index Correction Measures (O ESTADO DE SAO PAULO, 30 Jun 83)	41
--	----

Central Bank Intervenes Financial Group (JORNAL DO BRASIL, 28 Jun 83)	43
CHILE	
Concern Expressed Over Arrest of Valdes (Havana International Service, 12 Jul 83)	44
Curfew, 'Repressive' Measures Scored (Havana Domestic Service, 12 Jul 83)	46
Briefs	
Curfew Imposition, Demonstrations	47
COLOMBIA	
Briefs	
Oil Exploration Contracts	48
Secretariat for Border Affairs	48
CUBA	
Union Delegates Score U.S. Policies in Central America (Gladys Hernandez; GRANMA, 11 May 83)	49
U.S. 'Imperialist Hysteria,' Threats Rejected (GRANMA, various dates)	51
Havana Provincial Party Resolution FMC National Committee Statement	
Drug Trafficking Accusations by U.S. Scored (Santiago Valdes; VERDE OLIVO, 19 May 83)	55
Agrarian Reform in El Salvador Called 'Caricature' (Roberto Morejon; VERDE OLIVO, 19 May 83)	60
Mambisa Enterprise Orders Eight Ships From Spain (Emilio del Barrio Menedez; GRANMA WEEKLY REVIEW, 12 Jun 83)	64
EL SALVADOR	
Madrid Paper Interviews FDR's Ungo (Guillermo Ungo Interview; MUNDO OBRERO, 24-30 Jun 83) ..	66
FDR's Ungo on Area Situation, 'U.S. Intervention' (Jose Luis Camacho; EL DIA, 14 Jun 83)	68
Lawyers Question Constitution's Provision for Judges (LA PRENSA GRAFICA, 20 Jan 83)	70

Briefs		
ISTA Budget Cut		72
Cotton Planting Down		72
Foreign Interests Blamed		73
 GUATEMALA		
Briefs		
Coffee Exports		74
Study Examines Coffee Problems		74
 JAMAICA		
How JLP, PNP View Results of Latest By-Election		
(THE DAILY GLEANER, 13 Jun 83)		76
Violence Tied to Politics; Leftist Guerrillas Rumored		
(THE DAILY GLEANER, various dates)		77
Incidents in Clarendon		
Guerilla Movement-Crime Links		
Briefs		
Veterinary Project		79
Youth Group Phase-Out		79
Rain Damage		79
 NICARAGUA		
Differences in Election of Stevedores Union Officials		
(Lidia Hunter C.; BARRICADA, 3 Jun 83)		80
Unions Affiliated to CTN Abandoning Organization		
(BARRICADA, 6 Jun 83)		83
Only 19 Left		
More Information		
Increase in Work of Port of Corinto Reported		
(Felix Thomas; EL NUEVO DIARIO, 20 May 83)		85
Government Investing \$43 Million in New Enterprises		
(EL NUEVO DIARIO, 3 Jun 83)		87
Professor Calls on People To Join ARDE's Struggle		
(LA PRENSA, 11 Jun 83)		88
Police Chief Describes Illegal Traffic in Currencies		
(BARRICADA, 2 Jun 83)		90

Correspondent Describes Fighting on Northern Border (GRANMA WEEKLY REVIEW, 19 Jun 83)	93
Barricada Reporter Interviewed, by Santiago Cardoso Arias Details of Operation	
PERU	
Social Scientist Discusses Military Reform, Shining Path (Julio Cotler Interview; EL OBSERVADOR, 12 Jun 83)	96
Briefs	
Bank Robberies, Bridge Destruction	104
Charges Against Police Cited	104
VENEZUELA	
Interior Minister Discusses Political Stability (EL UNIVERSAL, 13 Jun 83)	105
Caldera, Herrera Allegedly Reach Consensus (Armando Duran; EL DIARIO DE CARACAS, 12 Jun 83)	107
Disagreement Among Lusinchi's Campaign Strategists Reported (Miguel Conde; EL DIARIO DE CARACAS, 13 Jun 83)	110
Political Committee Ratifies AD-URD Electoral Pact (EL DIARIO DE CARACAS, 12 Jun 83)	112
CPN Approves Change in AD Campaign Strategy (Pastor Heydra; EL DIARIO DE CARACAS, 13 Jun 83)	114
Air Force Equipment, Capabilities Surveyed (TECNOLOGIA MILITAR, May 83)	118
Briefs	
DISIP Frees Red Flag Members	120

CARIBBEAN SAID TO HAVE EXCESS OIL REFINING CAPACITY

Barbados Proposals

Bridgetown SUNDAY ADVOCATE in English 12 Jun 83 p 2

[Text] The Barbados Government has urged its Caribbean Community (CARICOM) partners to consider a reduction in existing petroleum refining capacity as part of a definite course of action to deal with difficulties in the energy sector.

"... There is no market in CARICOM to justify existing refining capacity," Senator Clyde Griffith, Barbados' Energy Minister told the first meeting of Ministers Responsible for Energy in Trinidad recently.

The Energy Ministers spent two days identifying positive approaches to the region's energy problem, in execution of a mandate from the 1982 Ocho Rios Heads of Government Conference for the development of a Regional Energy Action Plan.

Senator Griffith, at the outset, had said: "If we must be serious about a Regional Energy Plan, a hard look must be taken at the refining capacity with the intention of reducing it to realistic levels."

"... Barbados has already started a serious examination of its options. We are nearing completion of our examination and a decision will be made shortly on the future of our local refinery."

Senator Griffith made the point that large refineries faced difficulty in attempting to minimise their losses not to mention showing a profit.

Small refineries producing for captive markets are by definition candidates for subsidies, and have been enjoying such ... Refineries all over the world are being closed for good reasons," Senator Griffith

said.

"The Caribbean must not be an exception," he said. "With CARICOM therefore, we cannot bury our heads in the sand and pretend that we are different."

"What we need to do, therefore," Senator Griffith suggested, "is to set up the necessary mechanism which allows the one among us best able to maximise refinery operations to get on with the job provided the structure is there to ensure that the rest of us do receive, on a timely and consistent basis, a full supply of petroleum requirements."

In this matter, the Barbados Energy Minister welcomed Trinidad and Tobago's continued commitment to the region, announced by that country's Energy Minister. (BGIS)

Review of CARICOM Situation

Bridgetown BARBADOS ADVOCATE in English 20 Jun 83 p 4

[Article by Trevor Farrell]

[Text] CARICOM, which has recently been rocked by a series of crises, now faces another. After having had to wrestle with the seemingly intractable problems of university restructuring, Jamaica's two-tier exchange rate, the crisis in the region's garment industry, and political conflict over Grenada, the region's policy-makers must now make some hard decisions on energy.

There is an urgent need to rationalise refining capacity in the region.

CARICOM consumes some 80 000 barrels of oil per day. Again this, the region hosts some 370 000 b-d of refining capacity located in the five refineries—one each in Jamaica, Antigua and Barbados, and two in Trinidad. Some 86 per cent of the region's refining capacity (320 000 b-d) is located in the two Trinidad refineries, one of which is owned by Texaco, and the other by a Trinidad government company, TRINTOC.

The refineries in Jamaica and Barbados are oriented towards the domestic markets of those two countries. Neither of these refineries however can completely satisfy their domestic market, either in terms of volume or in terms of range of products required. Furthermore, both refineries are inefficient by modern standards, and the economics of operating them are, to say the least, questionable.

The refineries in Antigua and Trinidad are export oriented. However, the traditional market outlets in the USA are drying up, rendering them redundant and uneconomical, and forcing them to seek regional markets as part of a survival strategy. But as the members plainly show, the regional market cannot accommodate the output of all five of these refineries.

Let us look first at the Trinidad situation. The main product of the Trinidad refineries has historically been low-valued residual fuel oil. This was a result of the deliberate decisions of the multinational oil companies that set them up, Texaco and Shell.

The fuel oil was aimed at the U.S. east coast, most of it going for electricity generation. The companies in general reserved their American refineries for producing higher valued products such as gasoline.

However changes in U.S. energy policy over the last five years have led to the drying up of the traditional markets for the region's export oriented fuel-oil refineries. U.S. policy has involved switching the electricity generating utilities from a reliance on fuel oil to a greater use of coal.

Furthermore, as gasoline consumption peaks in the U.S. due to the trend towards smaller cars and greater auto-efficiency, American refineries are now using their surplus capacity to produce more fuel-oil domestically, rather than importing it. The end result is that refineries such as Trinidad's are rendered increasingly redundant.

Texaco, the largest refinery in Trinidad, has been systematically disengaging itself from its Trinidad operations. It has downgraded its Pointe-a-Pierre refinery from 355 000 b-d to 220 000 b-d. It has now offered to sell to the Trinidad Government all or part of the refinery. In fact it has announced it would prefer to keep only a 25 per cent share of it, and has indicated as well that Trinidad is no longer important to its operations.

The Trinidad Government is in a quandary. It is faced with the unpalatable choice of buying a refinery with no markets for its main product, or else risk seeing large numbers of

workers unemployed, with major repercussions in San Fernando, the country's second largest city. The question of acquiring the refinery comes at a time of rapidly evaporating foreign exchange earnings.

The headache is compounded by three other factors. One is where will the crude to run the refinery come from if it is acquired. The Texaco operation in Trinidad only has some 30 000 b-d of crude to its credit.

Even downsized, the Pointe-a-Pierre refinery has a capacity of 220 000 b-d. The second is what to do with the 100 000 b-d TRINTOC refinery at Point Fortin. Point Fortin is largely dependent on the TRINTOC operations.

In all this, it must be remembered that Trinidad is now producing about 160 000 b-d of crude oil, more than half of which is produced off-shore by Amoco and exported to refineries elsewhere. The third headache is where would the products of a nationalised Texaco refinery be sold.

This is where the long-ignored CARICOM market comes in. At roughly 80 000 b-d, CARICOM consumption is about 40-50 per cent of Trinidad's current oil producing capacity. It is therefore not to be sneezed at. Here however we run into real problems.

Jamaica is an example. With an oil consumption of over 40 000 b-d, it is CARICOM's largest oil consumer. In fact, it accounts for more than half of all the oil used in the region. Interestingly enough, more than 70 per cent of Jamaica's oil consumption is residual fuel-oil, precisely the product that the Trinidad refineries have been specialised in.

One would think that there would be a natural and organic link between the region's main oil producer and its major oil consumer. Not at all. In fact, Trinidad has in recent years supplied less than 10 per cent of the Jamaica market.

Most of Jamaica's oil comes from Venezuela and The Netherlands Antilles. This is a direct result of the historic dominance of the Jamaican oil market by one oil multinational, Esso, and of Trinidad's oil production by three others, Texaco, Shell and Amoco.

Ironically, however, as the companies move out, and the regional government move into the oil market, the divergence between the two countries threatens to grow wider and to harden. Jamaica recently purchased the 31 000 b-d Esso refinery for approximately US\$55 million.

This immediately locks it into a situation where it has to import much of

The scheme made little economic sense. American markets for imported products were drying up, particularly on the west coast which is now awash in oil.

In any event, the promised crude from Gabon did not materialise, and the Antiguan Government was reportedly seeking Venezuelan crude instead, under the Venezuela-Mexico facility enjoyed by Barbados and Jamaica.

Antigua proposed to her OECS (Organisation of East Caribbean States) partners that they should draw their petroleum products from her refinery. Reportedly, some of the OECS states have already agreed to such an arrangement. This would have the effect of locking them into an uneconomical arrangement with a high cost refinery doomed to produce below capacity because of lack of markets.

Even if the refinery is kept at 15 000 b-d, the OECS states consume less than 4 000 b-d of products between them. If the scheme went through, Trinidad would find as well that it had lost the OECS market, small though it is.

However the Antiguan refinery which was re-opened in early 1982, had to be closed down again after a few months, because of crude supply problems. However, the threat of a bad arrangement remains.

Barbados is a less difficult problem. It now produces about 15 to 20 per cent of its oil—just under 600 b-d in 1981. The Mobil refinery which has a capacity of 3 200 b-d is old and inefficient and cannot supply the country's product needs completely, either in terms of volume or range of products.

Barbados used about 3 800 b-d of oil in 1980. It is generally recognised that the sensible economic solution would be to scrap the Barbados refinery, ship the Barbados crude to Trinidad for refining and bring in the products needed. Such an arrangement would benefit both countries.

The regional oil market cries out for integration. Trinidad has to bear much of the blame for the present situation.

When oil prices were high and rising, the oil importing countries in the region were reeling under the pressure, Trinidad could have, and should have, taken the lead in integrating the market by offering its sister territories oil at discounted prices, linked to a regionally

its oil needs as crude rather than as products.

The refinery, however, is characterised by its inability to totally supply the Jamaican market, and also by questionable economics. That is, unless it obtains cheap crude, it will be discovered that it would be cheaper for Jamaica to import products, rather than to import crude and refine.

Under the Venezuela-Mexico aid agreement, Jamaica would have enjoyed relatively cheap crude. The facility provides for beneficiaries to pay only 70 per cent of the OPEC price, with the balance treated as a loan to them.

Under this arrangement, the Jamaican refinery might have been not too uneconomical. With the fall in oil prices however, it is doubtful that Venezuela and Mexico would be as generous when the facility comes up for renewal later this year.

The Jamaican refinery then may well turn out to be an economic embarrassment. Nevertheless, because of the jobs involved and the money spent on it, there would undoubtedly be great reluctance to liquidate it even if it is economically sensible to do so.

Antigua is a similar story. It hosts a 15 000 b-d refinery originally owned by an American company, Natomas. After an earthquake damaged it, Natomas repaired the refinery and then sold it to the Antiguan Government in 1974.

In 1980, Antigua sold 75 per cent of the refinery to a Swiss owned company, Inter-maritime. It was planned to expand the refinery to 50 000 b-d, import crude for refining from Gabon, and sell the products on the U.S west coast and among the Eastern Caribbean LDCs. owned marketing company.

The present fragmentation is unhealthy both economically and politically. However, rationalising and integrating the market now has a cost to it. Some of the refineries have to go, with the attendant loss of employment, capital and income.

Investment would be necessary for acquiring or setting up regionally owned distribution facilities. The question is how are the costs to be shared. One thing is certain. If the region's leaders do not bite the bullet, and do now what is needed, the region will ultimately pay a far higher price in the long run. (CANA)

PETROLEUM EXPLORATION, INTEROCEANIC CANAL, CERREJON DISCUSSED

Bogota EL ESPECTADOR in Spanish 30 May 83 p 8-A

[Text] The government has announced oil exploration programs in the Caribbean Sea. It is hoped to find oil or gas there, according to the minister of mines and energy, Carlos Martinez Simahan. This is the first time that Colombia has undertaken a step of this nature, "exploring for hydrocarbons beyond the continental shelf," acting in accordance with the new law of the sea which includes this area as an economic zone.

This area includes the keys of Roncador, Quitasueno, Serrana, Serranilla, and Albuquerque.

Mr Martinez, in statements made on the program, "Todelar Reports," said that it has been decided to use new technologies in order to succeed with this exploration plan. Both Colombian and foreign firms will participate, squaring off marine areas of the Pacific and Caribbean basin. The Caribbean is considered a high-priority economic area for Colombia.

"We are determined to explore not only in the Pacific, but even beyond the continental shelf, since the new law of the sea permits us to cover the economic zone, where we hope to find oil and gas," said the minister of mines. This is one of the largest exploration programs which the present government will execute, with the participation of Colombian engineering services and the Colombian Navy, which will help to prepare special bases for the use of technicians and high-tech equipment, as ECOPETROL [Colombian Petroleum Enterprise] recently announced.

Production

According to the minister of mines, production levels have staged a recovery this year. Production in May reached one of its highest levels, 146,100 barrels. Production in June will

be even greater, he added, "because the strike and negotiations with the USO [Workers Union] will no longer be a problem."

According to analyses done in Colombia, oil has not been held in reserve. "What is happening is that we have not been lucky in drilling in the right places," said the minister, Mr Martinez Simahan. As a result of the reduction in OPEC prices, Colombia will save \$5 per barrel. Of this amount, \$3 will be invested in the exploration fund in order to compensate for the lowered rate of exploration caused by the price decline. Exploration and the proper handling of production will be given special preference in the Putumayo, where it may be possible to find new crude.

ECOPETROL expected that the decline in hydrocarbon prices would reduce exploration, but this situation, according to the government, has had no impact on the economic structure, as part of the oil production has been increasing at a rate of 5 percent during the present decade, and greater increases are expected in some small fields, such as Casanare, Nare, Apiay, and possibly even in Arauca, where the INTERCOL firm is working.

Interoceanic Canal

The minister of mines, Mr Martinez Simahan, also said that top-level talks are in progress about deciding whether or not to build the Interoceanic Canal, based on very thorough analyses by both Colombian and foreign experts. At present all the information is being assembled, especially that related to technical aspects. The foreign press has given some attention to the proposal presented by the government at the OLADE [Latin American Energy Organization] meeting. Both state and private companies from France and the United States have offered support, after finding that their own studies confirmed the suitability of building the Interoceanic Canal. "Technical experts from various parts of the world have traveled through the Choco area, studying the possibilities," pointed out the minister of mines.

A commission has been set up by the government to receive all reports from Colombian technical experts and from international companies so that in the end the government may decide whether or not it will proceed with this project, and what alternatives are available.

According to the government, the type of canal must be determined, whether it will be a single-level canal or a canal with locks and dry sections, which is also a form of communication.

The government plans to present to the nation shortly full information, as prepared by this high-level commission, since it will have a political impact of an international nature, given the magnitude of the project and its impact on this part of the continent.

The El Cerrejon project will begin exports starting in 1985, a year before the scheduled date listed in the association contract. The shipment will be close to 3 million tons, and in 1986 exports will be approximately 15 million tons.

"The financial problems at CARBOCOL [Colombian Coal Company, Inc] have now been resolved, and negotiations are in progress for long-term international credits," said the minister of mines.

CARBOCOL has received offers of a short-term interim credit from foreign banks in order to achieve a line of financing of \$150 million.

As for internal credit, PROEXPO [Export Promotion Fund] has granted a loan of 8 billion without endorsement or financial middlemen, and the first payments are scheduled for the week now beginning. Next month 4 billion will be released. This financing has ensured the completion of the project in the area north of El Cerrejon, in accordance with the program originally scheduled by the participating companies and the Colombian government.

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CSO: 3348/478

PETROLEUM PRODUCTION OUTLOOK, FAILURES VIEWED

Bogota EL SIGLO in Spanish 3 Jun 83 p 9

[Article by Luis Rosendo Rojas]

[Text] Despite some failures in the search for petroleum in the Llanos Orientales [Eastern Plains], by the end of this month the nation may have four new fields in operation in Casanare, which will increase crude production by 5,500 barrels per day.

After the nation's frustration and the great losses suffered by INTERCOL [expansion unknown] in Arauca, where the most expensive wells in history were drilled and later abandoned, a French firm has managed to find workable reserves, despite the difficulties related to transport to the refining centers.

The region where large hydrocarbon reserves have been found is located in a strip of land 100 kilometers north of Yopal, the capital of Casanare. So far seven fields of interest have been identified, four of which are ready to begin production.

Quality

According to statements made by the director of extraction operations at the French firm Elf Aquitaine, Gilberto Talero, the quality of the crude which will be extracted from this region is excellent. He indicated that the first well to begin producing will be Cano Garza, the farthest from the town of Yopal. Later the fields of Trinidad, Barquerena, and Tocaria will begin production. All together, they will provide 5,500 barrels per day.

The main difficulty related to the oil extracted from this region concerns transport. The firm has built a pipeline which will connect with all the fields which are about to begin

production, in order to concentrate the oil in a loading facility 20 kilometers from Yopal, at a site called La Culebra. This terminal, with a 30,000-barrel capacity, will be used to store the hydrocarbons, which will then be transported by truck to the refining center, which in this case is Barrancabermeja. This pipeline is 95 kilometers long and was designed to later connect with, or act as a junction point serving the pipeline which will be built to transport oil from Arauca, Casanare, and Meta to the refining centers in the Magdalena valley.

According to Elf Aquitaine, the major problem with the operation of the Casanare fields is transport. The road the trucks will use to take the crude to Barrancabermeja is not in good condition up to the Sogamoso area, despite the investments the company has made. The crude has to be transported by land for approximately 167 kilometers, a large part of which is in poor condition, especially during the winter.

The government, acting through the ministry of public works and through ECOPETROL [Colombian Petroleum Enterprise], is working on several alternatives, such as the construction of the pipeline and the use of a railway line to transport crude, in order to make the operation of some rather marginal fields economically feasible.

Decline in Exploration

The minister of mines, Carlos Martinez Simahan, spoke of the decline in exploration activities this year, caused by a lack of interest on the part of foreign firms in investing, at a time when international prices have dropped sharply. While in 1981 over 100 wells were drilled, in 1982 75 were drilled, and this year only 35 are planned, including those to be drilled by ECOPETROL and the firms which have signed association contracts.

It was also reported by ECOPETROL that seismographic activity, the first step toward identifying possible hydrocarbon deposits, has also declined somewhat. This suggests that the decline in drilling will continue over the next few years.

Failures

One of the biggest failures in oil exploration in recent years happened in Arauca, where INTERCOL had invested about 9.5 billion pesos, approximately US \$120 million. The deepest wells were drilled in that region, such as Fortol no 1, which reached a depth of over 19,000 feet and was then abandoned, as it was not profitable to operate it.

The firm conducting the exploration had expected that the Arauca field, after four wells were drilled, would deliver reserves close to 13 million barrels, but only approximately 3 million barrels were found there. This did not favor the extraction of this crude, because of the high transport costs. According to calculations made by ECOPETROL staff members, the production of a barrel of petroleum from the Arauca fields costs approximately \$29, a cost similar to the international crude price level.

Other Failures

According to ECOPETROL, there have also been failures in other departments: in Meta, Cundinamarca, and Magdalena, where wells have had to be abandoned, after expensive drilling programs. The most striking case was that of Fortul 1, which cost US \$32 million.

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CSO: 3348/478

OIL SEARCH CONTINUES IN EL PETEN AFTER NEGATIVE TESTS

Guatemala City PRENSA LIBRE in Spanish 26 Jun 83 p 10

[Text] The search for oil continues in Tierra Blanca, El Peten department, in spite of the fact that the latest completed tests turned out to be negative. These detract from the belief that the well would produce about 6,000 barrels a day as the results of the first test had indicated.

The secretary of Mining and Hydrocarbons, engineer Alejandro Contreras, announced that news last May, but since then new tests have been completed which show that the oil reservoir found was very small.

The find occurred when drilling had reached a depth of 11,230 feet with the initial test producing a flow of between 6,000 and 6,500 barrels a day.

Nevertheless, different results were obtained in a second test performed at the same layer in which the flow only reached 450 barrels a day. This made it necessary to continue drilling.

In a third test, performed just a few days ago after continuing drilling, only salt water with two percent oil was obtained from a new layer. This proves that the layer of oil initially discovered was approximately four feet thick, making it an unimportant discovery.

Despite this it was learned from sources close to ELF Aquitaine of Guatemala, the operator in Tierra Blanca, that work on Tierra Blanca well No 1 will continue hoping to find crude at a greater depth.

It was noted also that the work is intense and arduous principally because of the geological conditions found there which make the drilling slow and costly.

Guatemala presently produces about 9,000 barrels of oil a day. Seventy-five percent of production is earmarked for export, the remaining 25 percent for consumption by Electric Enterprise of Guatemala and Progreso Cement Company.

This production comes from the oil fields operating in Alta Verapaz--Rubelsanto, Chinaja, Caribe, and Yalpemech--while exploration efforts are being made in other areas, principally, in El Peten.

Tierra Blanca is located very close to the Mexican border only 38 kilometers from Rubelsanto, in the middle of El Peten forest.

The ELF company is operating in that area, but works jointly with the companies of Hispanoil and Brisa.

According to the oil law now in effect, 55 percent of all the oil produced in Guatemala belongs to the state. This law is presently being studied by the Mining Secretariat.

According to government sources contacted, it is felt that the country's oil production will never be very high although it is believed that in the future Guatemala might become self-sufficient in oil.

CSO: 3248/1011

GOVERNMENT ASKED FOR OFFSHORE OIL EXPLORATION EXTENSION

Georgetown GUYANA CHRONICLE in English 9 Jun 83 p 1

[Text]

DENNISON Mines Limited and Seagull Petroleum Limited have asked the Guyana Government for an additional year in which to complete oil exploratory works off the Berbice Coast.

A team of officials from the two companies is due to arrive in Guyana on June 16 to discuss the conditions under which such an extension would be granted.

They are expected to meet with Vice-President, Production, Hamilton Green, Minister of Energy and Mines Harun Rashid, and other senior ministry officials.

Dennison-Seagull, an American-Canadian concern, has already completed joint seismic studies in Guyana, and should have sunk a well off the Berbice Coast by April 30 last.

Dennison-Seagull has cited financial constraints, arising from the current depressed state of the world oil market and high interest rates, as its reasons for not being able to sink the exploratory well within the allotted time.

The company is reported to have expressed optimism over the level of Guyana's offshore oil reserves. (GNA)

CSO: 3298/718

PETROLEUM CORPORATION SEEKS IDB LOAN FOR EXPLORATION

Kingston THE DAILY GLEANER in English 18 Jun 83 p 1

[Text]

With the 28.8 per cent increase in the price of premium gasoline price, the focus is once again on the country's petroleum potential and the prospecting being done by the Petroleum Corporation of Jamaica.

Yesterday, the Director of the PCJ, Dr. Raymond Wright, told the *Gleaner* that efforts were being made to obtain a US\$4 million loan from the Inter-American Development Bank to continue the programme. He expressed the hope that the loan would be approved within the next two months.

Dr. Wright said that over the next 18 months the Corporation would be carrying out major evaluation of drillable prospects on-shore before pursuing any further deep exploratory drilling. He explained that during the period detailed geological mappings as well as shallow core-hole drilling would be done for sub-surface information.

He reported that the IDB loan would enable the PCJ to proceed to the second phase of its evaluation programme. The first phase was funded through a C\$6.8 million grant from Petro Canada International Assistance Corporation, and it included a seven-week survey by the seismic vessel *The Mai* from Canada. Findings of this first phase of the evaluation programme will be presented in August.

Meanwhile, Dr. Wright said, plans for exploratory drillings off-shore are being actively formulated.

Drilling for oil, on-shore, was carried out at various sites last year by PCJ with the assistance of Petro Canada. Drilling at the third on-shore site at Retrieve, Hanover, was completed in October and the entire crew and equipment was removed when the site was abandoned. No commercial discoveries were made. Similar work was carried out at Hartford, Westmoreland, and at Windsor, St. Ann sites with the same results.

Off-shore drillings, which began in December 1981, were called off in May last year without any commercial finds. These wells were sunk by a consortium of Union Texas Petroleum of Houston, U.S.A., and AGIP, the state oil company of Italy.

PETROPERU ISSUES 1982 ANNUAL REPORT

Internal Demand Met

Lima EL COMERCIO in Spanish 3 Jun 83 p A-11

[Text] PETROPERU'S production in 1982 surpassed that of 1981, which made it possible to meet the domestic fuel demand and to get a yield of about 15.5 million barrels during the year.

This is disclosed in the enterprise's 1982 Annual Report, which reviews the year's accomplishment in the areas of geophysical prospection, drilling, production and reserves, and in the investment projects underway.

As to production arising from the direct operations of PETROPERU, the increase amounted to 27 percent to reach an average 53,292 barrels daily. This increase in crude production took place not only in the old fields of the Northeast, but mainly in the northern jungle where 27,965 barrels daily were being extracted by the end of last year, which translates into an annual growth of 52 percent. In total, the country's crude production reached an average 195,061 barrels daily as a result of the direct operations of PETROPERU and of the private contractors.

According to the annual report, petroleum exploration with the use of geophysical methods was much more intense in 1982 than in the previous year, and a total of 13,184 kilometers of seismic lines were logged, as compared with 4,154 kilometers in 1981.

With regard to drilling, the activity was also greater in comparison with the previous year. In the areas under the direct operation of PETROPERU, 111 wells were drilled--mostly on the north coast--of which 78 were productive, 8 were dry and were abandoned, and 25 are being evaluated.

The annual report notes that the proven petroleum reserves did not show a favorable balance last year when they added up to 775.1 million barrels, 60 million barrels less than the extent reserves at the end of 1981.

As to refining, the crude processing level was 155,182 barrels daily, which is equivalent to 88 percent of the installed production capacity, and this made it possible to meet the needs of the domestic market and even to export gasoline and residual oils.

Profits Totaled 4.383 Billion Soles

Lima EL COMERCIO in Spanish 7 Jun 83 p A-8

[Text] PETROPERU had a net profit of 4.383 billion soles in 1982, a figure that represents an increase of 3.644 billion soles over the previous year.

However, as the 1982 Annual Report of the petroleum enterprise points out, that profit is not very significant in the light of the revenues (1,008,105,000,000 soles) because of the high taxes paid by PETROPERU, and the large amount of accounts receivables incurred by debtors within the government that do not consent to the payment of interests thereon.

When citing the 1982 economic and financial results, the report states that the revenues obtained show an increase of 449,879,300,000 soles in comparison with 1981. The factors that contributed to this increase are the hike in prices authorized by the government, and the result of the application of the new rates of exchange for export revenues.

Of the total revenues, 586.738 billion soles come from domestic market sales, 380.743 billion soles from foreign sales, and 40.623 billion soles from service income.

PETROPERU's contribution to the Treasury in 1982 totaled 575.426 billion soles in payment of taxes and duties. Of that amount, 237.442 billion soles are attributed to taxes paid on operations peculiar to the enterprise.

The 1982 Annual Report notes that despite the fact that last year was marked by severe restrictions in the world money market, above all in loans intended for Latin American countries, PETROPERU had the financial support of the national and the international banking establishments which allowed the normal development of its operations.

With respect to the financing of projects for the current year, a line of credit of \$81 million was arranged with the World Bank in 1982 to carry out the Laguna-Zapotal Project, which will help to augment production on the North Coast. Another loan of \$5.3 million was also arranged with the World Bank to develop technological projects of petroleum refineries within the framework of energy saving plans.

At present, the enterprise is negotiating long term loans with other financial institutions and commercial banks which will be underwritten within the next few months.

These credit transactions, according to the 1982 Annual Report, are feasible because the World Bank and other institutions consider that the economic condition of the petroleum enterprise is solid, and they are confident that it will be able to meet the future obligations imposed by the financings that have been made and will be made.

The objectives of PETROPERU, adds the report, are to achieve financial self-sufficiency, operational normalcy, adequate planning of its investments, and technical progress.

8414

CSO: 3348/490

ASSOCIATION OF AMERICAN LAWYERS SUPPORTS NICARAGUA

Managua EL NUEVO DIARIO in Spanish 29 May 83 p 11

[Text] "Declaration of the AAJ [Association of American Lawyers]:
Lawyers Condemn Aggression"

Another indication of the support the Sandinist Popular Revolution has and is receiving from abroad, is the joint statement to Nicaragua sent by the Association of American Lawyers to Commander of the Revolution and Coordinator of the Government Junta, Daniel Ortega Saavedra, as well as to Commander Bayardo Arce, Coordinator of the Political Committee of the National Directorate of the Sandinist National Liberation Front.

The statement reaffirms the support for our country and furthermore vigorously condemns the aggression the Reagan administration is stirring up against us.

The document reads as follows:

Declaration

The AAJ [Association of American Lawyers], an organization of lawyers, judges and teachers of law from all the countries in North and South America, Central America and the Caribbean, a champion in the struggle for self-determination, the full economic independence and the sovereignty of States, and the struggle against imperialism and fascism, reaffirms its permanent support and its solidarity with the heroic people of Nicaragua and its vanguard, the Sandinist Front of National Liberation Front.

The AAJ staunchly condemns the continuous acts of aggression against Nicaragua directed by the Reagan Administration, and by the CIA, with the complicity of the Government of Honduras. These acts not only constitute a violation of the internal laws of the U.S., but also constitute clear violations of basic international law and of the principles which are embodied in the United Nations Charter and in International Agreements on Civil and Political Rights, and on Economic, Social and Cultural Rights; i.e., this aggression is an assault on the sovereignty of the state and the right of peoples to their self-determination by virtue of which nations may determine without intervention their political status and pursue freely their economic, social and cultural development.

The American Association of Lawyers deems ironic the fact that Reagan accuses the Sandinist government of repressing the Nicaraguan people and of being guilty of violating Human Rights.

Since the triumph of the Nicaraguan revolution in July, 1979, there have been significant advances in the areas of employment, education, health, housing and social services, which have benefitted most Nicaraguans and particularly the part of the population that suffered most under the brutal dictatorship of Somoza.

While these positive steps have been taken under the leadership of the Sandinist Front to improve the standard of living of the Nicaraguan people, at the same time in the United States, the minimal programs that existed to help the poor, the old and children in the areas of education, health, legal services, social welfare and food stamps, have been reduced drastically and in some cases eliminated.

In spite of the fact that there is a number of unemployed persons (more than 11 million) that exceeds previous figures and who are men, women, and young people fully capable of working and with little chance of finding jobs, the Reagan Administration has dropped any commitment on the part of the government to help poor, underprivileged people.

On the contrary, Reagan has earmarked the greatest economic resources to the military industrial complex.

President Reagan hypocritically says that he is interested in peace but is running the biggest arms campaign in history, and supports and openly assists the most fascist and repressive regimes in South American and Central America, as well as in other parts of the world, against the forces which are really fighting for peace to defeat exploitation and oppression.

Furthermore we declare that this imperialistic aggression on the part of the United States constitutes a grave danger to the pursuit of peace in this hemisphere, and we steadfastly condemn it.

The AAJ sincerely supports the stand taken by the Sandinist Front and the Government Junta in its pursuit of peace, and we welcome its commitment to the protection and full development of basic human rights, in spite of the obstacles which have been placed in its path.

We will be on the side of the people of Nicaragua in their constant, just and legitimate struggle to develop a new society for the benefit of all the people and we promise our support and assistance so that the process will advance towards that objective.

Free Fatherland or Death!

12448
CSO: 3248/970

CUBAN PROFESSOR DESCRIBES HIS WORK IN NICARAGUA

Havana JUVENTUD REBELDE in Spanish 18 May 83 p 2

[Article by Sergio Colina Socorro: "Cuban Youths Abroad"]

[Text] A national course to train technicians in labor economics is being taught at the Carlos Fonseca Amador University in Managua, Nicaragua, as part of the labor cooperation agreement between Cuba and that fraternal Central American country.

This information was provided by Hector Socorro, professor of labor economics and head of the department of preprofessional practice of the Julian Grimau Technical Institute who acts as teacher and adviser for that course, in an interview granted to JUVENTUD REBELDE during a brief visit made to our country.

The young Cuban said: "The course began on 14 April with an enrollment of 62 youths from all departments in Nicaragua, graduates and professionals who work on the different fronts of work organization.

"The program lasts 8 months with 558 hours of study and 100 hours of educational practice. The subjects taught include political bases, statistics and labor economics. There are also practical activities that will be evaluated.

"We should point out that the three professors--other than me--who will be teaching are Nicaraguans who were trained in Cuba from 1980 to 1982 at the ENEL [National School for Labor Studies] under the State Committee for Labor and Social Security.

"The objective of this course is to train technicians in labor economics in order to satisfy the ever-growing demand of society.

"They will receive knowledge, analyses and a method of calculation that will permit them to confront current and future problems in the labor field.

"We hope to achieve consistency in everything related to the labor and wage sector."

He said that many answered the call. It was necessary to select this group but this will not satisfy the needs of the country so other courses will follow, including night ones.

He stated: "By training this personnel, we strive to recover the material and human reserves of productivity, always keeping in mind that man is the basic, active and decisive element in the labor process."

He said finally: "Due to the humane quality of the students, their desire for advancement to make the country progress and the facilities that are provided for the development of the course, we can state that it will be a success."

7717

CSO: 3248/961

JAMAICAN BUSINESSMEN HIT TRINIDAD-TOBAGO LAND ACT

Kingston THE SUNDAY GLEANER in English 12 Jun 83 pp 1, 3

[Article by Shelley Lambie]

[Text]

JAMAICAN BUSINESSMEN are calling for the amendment of the Trinidad and Tobago Alien Landholding Act, which denies them and other Caribbean businessmen the opportunity to buy land and invest freely in this sister Caricom state.

They are asking for reciprocal treatment in the sphere of investment, for the same opportunity to own land and establish businesses in Trinidad and Tobago companies which Trinidadian firms such as the giant Neal and Massey Corporation (which earned TT\$1.25 billion gross revenue in 1982) enjoy in Jamaica.

Originally drafted in 1921, the Act stipulates that "neither land in Trinidad and Tobago nor a mortgage on land in Trinidad

Originally drafted in 1921, the Act stipulates that "neither land in Trinidad and Tobago nor a mortgage on land in Trin-

idad and Tobago, nor any share, debenture nor other interest in a company shall after the commencement of this Act be held by an unlicensed alien, and any land or mortgage or share, debenture or other interest in a company so held shall be forfeited to the State."

However, potential Jamaican and Barbadian investors say that it is extremely difficult to obtain a licence to buy shares in a Trinidad firm or purchase land, and virtually impossible to receive Government authorization to buy controlling interests in an existing Trinidad firm.

Red tape

Bureaucratic delay and red tape are significant

problems which foreign applicants must face, and some, such as Mr. Maurice Facey of Pan Jamaican Investments Ltd., say that they have waited years in vain to receive a definite response to their licence application. Pan Jamaican Investments was trying to establish a Port of Spain based realty company which would have been directed by a Board of Management comprised of Jamaican and Trinidadian directors.

Regarded by the Jamaica Chamber of Commerce, the Jamaica Exporters Association and much of the wider business community as a "serious digression from the fundamental free trade, free movement principle of Caricom" the Act denies foreign businessmen the opportunity of holding controlling interests in Trinidad corporate and real estate firms.

Several leading Jamaican businessmen, including the Hon. Carlton Alexander, O.J., Chairman of Grace Kennedy Ltd and Mr. Maurice Facey of Pan Jamaican Investments Ltd., feel that the enforcement of the Alien Landholding Act, has been detrimental to the entire Caricom community.

Like other Jamaican based companies, Grace Kennedy has sought to gain a foothold in the thriving Trinidad and Tobago consumer products market and been denied the opportunity to establish a trading company to market its own products.

However, Neal and Massy Caribbean Ltd., which operates a diversified range of six companies in Jamaica including Hilo Food Stores Ltd. and Jamaica Oxygen and Acetylene, and T. Geddes

Grant Ltd., another Trinidadian-owned company do millions of dollars of business in Jamaica each year.

The Act is a focal point of opposition because it makes it virtually impossible for non-Trinidadian businessmen to "run their own show in Trinidad and Tobago" to hold controlling shares in a company, or own land exclusively.

Yet some Jamaican companies have managed to make money in Trinidad by circuiting the controlling interest option, by entering into joint ventures with Trinidad concerns, or in the case of Industrial Commercial Developments, Ltd., selling technology to Trinidadian companies. So, understandably, some businessmen are not very vocal about the Act and may have little practical reason to complain.

Although there are varying shades of opposition to this restrictive law, potential investors seem to agree that the Trinidad owned companies operating in Jamaica have made a valuable contribution to the economy.

"Certainly two-way investment is positive. Neal and Massy brought supermarkets to Jamaica," one observer remarked.

What Jamaican investors are pressing for is an opportunity to build thriving regional markets for their products, to make and sell products and services in sister Caricom states like Trinidad without having to rely on middlemen.

And market expansion does make it easier for any company to develop a stronger financial base. Mr. Carlton Alexander feels that Jamaican businesses must look outward to other Caricom econ-

omies in order to grow and views the Alien Land-holding Act as a barrier to the economic development of Jamaica and Trinidad.

He says, "Jamaican business today has got to be developed on an international basis. In order for Jamaica to rebuild her economy, we must make inroads in the Trinidadian and other markets. But sometimes we have tended to look north to the extent of paying too little attention to business prospects within the region."

Some local manufacturers feel that many Jamaican businesses which closed down in the late 1970's would have moved their operations to Trinidad and eventually returned home to do business if the Trinidadian investment climate had been a more open one.

Developing this point, one manufacturer said: "When we experienced the big bump in the 1970's, the wealth of Jamaican expertise and capital went north, when businesses could have moved to Trinidad to produce, and probably eventually come back if the investment and work permits situation had been different. But they went to the U.S., and it's not so easy to come back when you settle into the different lifestyle, the easy access to goods, etc."

This point underscores a central theme of the discussions surrounding the Trinidad Alien Land-holding Act, and the call for its amendment, the

premise that two-way free trade, investment, and labour movement within the Caricom community would benefit all member nations.

Double taxation

Mr. Alexander is convinced that "Caricom cannot work without the freedom of movement of people, capital and technology. Speaking from a Caribbean vantage point, he maintains that the Caricom community should examine the impact of the Act along with other business-related problems affecting the region, such as the case for reforming the double taxation system, under which companies pay tax at home and in their host country.

Although Jamaican and other potential Caricom investors would benefit most from the amendment or repeal of the Trinidad and Tobago Alien Land-holding Act, local exporters argue that Trinidadian consumers and businesses could also gain from the development of a more competitive business environment.

Speaking to the *Gleaner* about the Act and its origins, Mr. Victor McIntyre, Trinidad and Tobago High Commissioner to Jamaica, explained, "The Act came into force (was amended) at a time when all Caribbean Governments were attempting to protect

their nations' patrimony. Basically, the Government was trying to ensure that Trinidad businessmen got a fair stake in the country's development."

However, some economy watchers maintain that the Trinidadian economy no longer needs such strong protection, that "virtually every sector of the Trinidad economy is strong."

Now that reports of trouble on the Trinidad oil and steel fronts are circulating in business circles, many may doubt that the Trinidad and Tobago economy is invincible.

There does, however, seem to be a consensus here on one point, that the Trinidad and Tobago economy is the "most protected one in the region," an economy strong enough to benefit from "constructive competition."

Commenting about the Act and its impact on the development of the Trinidad economy, one local manufacturer remarked: "If you ask Trinidadian businessmen, particularly those in the trading sector if the Act has helped, they'll say yes, but if you ask the Trinidadian consumer you'll probably get a different answer. Prices have hardened them-to realize, 'Well we may live in a oil-boom society, but I can't even afford to buy a house.'"

CUBAN AID TO SUGAR INDUSTRIES IN OTHER COUNTRIES

Havana BOHEMIA in Spanish 13 May 83, No 19, pp 32-33

[Article by Raul Lazo: "460 Years of Experience Offered"]

[Text] "The investment in the sugar mill that is being built in Nicaragua through the line of credit granted by Cuba breaks all the traditional molds of technological transfer that we had known before the triumph of the Sandinist revolution," stated Alberto Lamuza Matamoros, director of sugar development engineering of the Ministry of Agrarian Reform of that fraternal Central American country. "We did not have any experience. However, in this project the Cuban personnel working with us transmits their valuable knowledge to us, producing a fruitful technological transfer that helps Nicaraguan development."

The interview took place at the exhibit next to the Palacio de las Convenciones. TECNOAZUCAR which provides engineering and technical services for the sugar industry including consultations, technical personnel assistance and know-how for automatic management systems for sugar agriculture and industry exhibited a large and representative variety of equipment that is sold on the foreign market. The exhibit was organized to celebrate the 18th congress of sugar cane technicians.

The above statements were made by the head of the Nicaraguan delegation that visited the exhibit. It also included Raul Vaca, an official of the Sugar Industry Directorate of the Ministry of Agricultural, Cattle Development and Agrarian Reform, and Luis Velazquez, who is responsible for the construction of the sugar mill. These statements are much more significant when it is known that the Cuban enterprise TECNOAZUCAR has inherited 460 years of experience in the sugar development of a country like Cuba which has more than 150 mills, 16 sugar refineries, 7 bulk shipment terminals, 10 torula yeast factories, 141 processing plants for livestock feed, 16 alcohol distilleries and 9 bagasse board factories. It sells services, installations and equipment to foreign clients.

During the tour through the exhibit of Cuban machinery and equipment designed and constructed in Cuba for export, the head of the Nicaraguan delegation indicated that TECNOAZUCAR has done the feasibility studies and the industrial and architectural plans for the mill being constructed in his country to handle 7,000 tons of cane daily. It will also supply the machinery and

management systems as well as train the personnel to operate the factory. Everything is progressing according to the work timetable. It will handle its first harvest between 1984 and 1985.

He said: "All the construction has already been started. This guarantees industrial assembly and the Cuban equipment has already begun to arrive in Nicaragua. The steel to construct the metallic structure of the mill has already arrived from Cuba."

TECNOAZUCAR has also done prefeasibility studies for a mill to handle 3,000 tons of cane daily in Vietnam, an integral agricultural-industrial study for development and optimization of the sugar industry in Mozambique and Angola as well as a feasibility study for a sugar mill to handle 7,000 tons of cane daily in Nigeria and expansion and remodeling of a sugar mill in Ethiopia.

In Cuba TECNOAZUCAR has done feasibility studies for eight sugar mills in six provinces in the country, the remodeling, modernization and expansion of more than 25 mills and several alcohol distilleries, plans for eight mills and the completion of four installations for bulk sugar shipments.

In Mexico the Cuban enterprise signed an agreement with the Mexican industry that includes the transfer of technology, cane varieties, harvesters and cleaning centers. There is also a contract for the application of automatic management systems in sugar factories.

TECNOAZUCAR is supported by seven specialized entities:

IPROYAZ [Institute of Sugar Industry Planning] draws up plans of basic engineering, detail and factory and project supervision. ICINAZ [Cuban Institute for Sugar Research] specializes in the development of applied research in the field of sugar technology. ICIDCA [Cuban Institute for Sugar Byproducts Research], EDA [Industrial Automation Enterprise] and UEMPROMEC [Union of Mechanical Production Enterprises] build equipment and machinery like sowers, crystallizers, heaters, pumps, boilers, evaporators, clarifying filters, etc. ECMI [Construction and Assembly Enterprise] builds sugar mills and bulk sugar terminals. DATAZUCAR [Data Processing Enterprise for the Sugar Industry] offers the know-how for the application of automatic supervision and management systems for sugar mills and derivative plants and for automatic supervision of programs in cane agricultural production and other crops. The Center for Sugar Worker Training offers courses for personnel advancement and training.

At the end of the tour, Alberto Lamuza, sugar development director of the Ministry of Agrarian Reform, indicated that the construction of this mill 3 years after the triumph of the revolution was made possible by the credit Cuba granted to his country. Its \$55 million covers 80 percent of the industrial part.

He pointed out: "The project will employ 2,000 Nicaraguan workers and will increase the production capacity of the country about 50 percent. Since

Nicaragua already supplies all its own sugar, the production of the mill will be allocated for export. This will provide \$50 million per year in foreign currency based on a reasonable price for this sweet product on the international market."

Lastly, the Nicaraguan official emphasized: "If this mill were to be constructed under the capital investment and credit conditions reigning in the capitalist world, it would be impossible for Nicaragua to obtain the credit. The most important part of this project is that it demonstrates to the world the broad possibilities for development based on cooperation between fraternal countries."

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CSO: 3248/961

CUBA'S ESCANDELL MEETS WITH UNION OFFICIALS IN MEXICO

Havana TRABAJADORES in Spanish 23 May 83 p 3

[Text] Mexico City, 2] May (RI)--Alfonso Sanchez Madariaga, member of the secretariat of the CTM [Confederation of Mexican Workers], received Jesus Escandell, executive secretary of the CTC [Central Organization of Cuban Trade Unions], at the CTM headquarters.

At the cordial meeting, opinions were exchanged on the coming 69th ILO Conference to be held in Geneva and about subsequent development of relations between the CTM and the CTC.

In the name of the CTC, the Cuban union leader sent a greeting to all the Mexican workers.

CTC Leaders Meet with Officials of ILO L.A. Regional Office

Jose Luis Rodriguez, assistant director of the ILO Regional Office for Latin America based in Mexico, met there with Jesus Escandell, executive secretary of the CTC.

During the meeting, opinions were exchanged about the 69th ILO Conference that will open 1 June in Geneva. The CTC leader pointed out the work of the Cuban union movement and the solidarity it will express at that conference with the struggle of the Central American workers, particularly the peoples of Nicaragua, El Salvador and Guatemala. Lastly, Escandell pointed out to the ILO representative the need for a change in its structure leading to equality among the different union tendencies in the world, not the discrimination that exists now. Antonio Lopez Lamas, a member of the CTC National Council, also participated in the meeting.

Meeting Between Representatives of CTC, CPUSTAL

Roberto Prieto, executive secretary of CPUSTAL [Permanent Congress for Latin American Workers Trade Union Unity] based in this capital, met with Jesus Escandell, executive secretary of the CTC. During the fraternal meeting, they discussed the need to increase solidarity with the workers and peoples of Nicaragua, El Salvador and Guatemala who suffer from aggression and interventionist threats from the current U.S. administration.

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CSO: 3248/961

JAMAICAN COMMENTATOR RAPS U.S. POLICY ON GRENADA, REGION

Kingston THE DAILY GLEANER in English 11 Jun 83 pp 10, 16

[Article by Vincent Tulloch]

[Text]

Relations between the United States of America and the tiny eastern Caribbean state of Grenada have for some time been soured by accusations from Washington that the Marxist-leaning state under Prime Minister Maurice Bishop has been building with the help of Cuba, one of the largest airports in the region. Washington claimed that the airport will be used by the Russians and Cubans, moreso by the Cubans for a refuelling and launching pad for her military adventures in Africa.

Since the March 13 coup by a group of young radicals, the island of Grenada better known as the 'Spice Island' has come in for strong attacks from the U.S. and other countries particularly for the failure of the new administration to hold elections and release political detainees. The United States has been most strident in her attacks on the country and has effectively ensured the entrenchment of the Bishop dynasty for years to come.

I have had for some time become a keen observer of developments in the region and with recent attacks on Grenada by the United States, as it widens its fight against the spread of Cuban

influence in the region, felt the desire to check the scene for myself. Last weekend I did just that. I have serious reservations about the American attitude and the allegations that have been presented to convince the international community about the real intention of Bishop.

There is no doubt that the government in Grenada intends to pursue a socialist course; but to suggest that it is a mere pawn in the paw of Cuba is to exhibit a very high level of ignorance of Caribbean politics.

In fact, the United States has never had a Caribbean policy. It merely lumps the region with Latin America and deals with problems as if the two regions have the same sociological/political mentality. The United States needs to understand the Caribbean before it can attempt to speak with authority on the region.

In any event, the problem of Grenada, as I have maintained for some time, is one for the regional governments. It should be dealt with within the family. It is about time that that is done.

Criticism

The international airport which is being built has been the focus of American criticism. But to do that is merely being petty. The country is strategically located between Cuba and Africa and if desired could be an ideal launching pad for African adventures. But, there are other airports in the region just as equipped and could serve similar purposes if so desired. There are two that come to mind: Antigua and Barbados. Those airports were built by the Canadians and are excellent for travel in the

region.

Grenada's existing airport, or rather cargo shed, is located about 15 miles from the capital of St. Georges and the ride usually takes one hour through beautiful mountain country setting. But it is an ordeal which many would love to forego.

The new airport is estimated to cost US\$75 million of which Cuba is contributing about US\$34 million. Algeria, Libya, Syria, Iraq and the European Development Fund — an agency of the European Community will contribute to the project which is being built at Point Salines about five miles south of Saint Georges.

Real reason

Grenada needs that airport. To wave the possibility of its military use as a weapon to deny the country the use of a modern airport is counter-productive to the Americans. If the Americans have a grouse about the socialisation of the country, and that is the real reason behind the shouts, then Washington should find a more convincing argument to muster international public opinion.

The Cubans are very much there, all 300 or so, working hard to complete the airport for March 13, next year, I was told. I understand that President Fidel Castro will very much be there and that it will mark the culmination of celebrations of five

years of revolutionary rule. From all indications, it will be a mammoth affair.

The project is already well advanced and during my visit, it was just a matter of completing the terminal and tower, as the runway is already near completion. In fact, I understand that Prime Minister Bishop left Grenada via the incomplete airport for his visit last week to the United States.

The project is a major piece of engineering. For over 25 years a plan existed for the construction of the airport, but because of the terrain of the country, no suitable site could be located. The Cubans, ever busy, on Corpus Christi Day (June 2, a public holiday) were very much at work. So, the 500 feet wide, 9000 feet long airport has been carved out of the levelling of seven hills and the dredging and filling of two ponds/lakes.

It seems to me that the Americans are making a great mistake when they pick on the Grenadians and cite the airport as the main reason for their attacks. Almost every Grenadian, whether he supports the revolution or not, will close rank with the government in defence of the project. They know that they need it and it can only benefit the country.

[paragraph illegible]

CSO: 3298/720

BRIEFS

BOLIVIAN-CUBAN RELATIONS DEMANDS—In a statement issued today, the MNRI-1 [Nationalist Revolutionary Movement of the Left-One] demands the resumption of diplomatic relations with Cuba, an attitude which will show that the Bolivian Government is truly independent. The statement, which was issued to the press, is signed by (Oscar Garcia), (Modesto Ulloa Ponce), (Angel Vera Endara), (Francisco Figueroa), (Yuni Bernal Briton) and other members of the MNRI-1 Political Commission. The MNRI-1 states that the Bolivian people struggled to achieve democracy so as to guide their own destiny. In other words, the Bolivian people struggled to be able to fully exercise their independence, that is, to act at different levels in keeping with national interests. According to the MNRI-1, in keeping with its right to exercise this sovereignty, the democratic and popular unity, UDP, government decided on 13 January 1983 to resume full relations with the Cuban Government, which requested approval of its ambassador over 2 months ago. [Text] [PY010145 La Paz Cadena Panamericana in Spanish 0000 GMT 1 Jul 83]

CUBANS WORK ON NICARAGUAN RAILROAD—(AIN)—Cuban engineers and skilled workers make up a research group for the design and construction of a new railroad in Nicaragua that will extend 140 kilometers from Corinto (a major port in the country) to Managua, the capital. Its main projects include 150 culverts and 50 bridges as well as the study of the characteristics of the volcanic zones in its path. Once the plans are completed, the Cuban research group will give them to the Ministry of Transportation to execute that important project, the result of Cuban collaboration with Nicaragua. The engineering-geological studies are being done now, divided into four basic sections: drilling, technical, geophysical and laboratory. In addition, it is advising the Nicaraguan personnel so that they can construct their own railways in the near future. All that work should be done in 1-1/2 to 2 years. The commitment of the collective is to complete the final plans as soon as possible. Therefore, it is working 10 to 12 hours a day and making colossal efforts to begin the construction of the first 5 kilometers by the end of June. The applied (geological) research is now on Kilometer 9 to 32 while the topography committee already has the Corinto-Leon segment ready. [By Marcos Antonio L.] [Text] [Havana TRABAJADORES in Spanish 1 Jun 83 p 1] 7717

CSO: 3248/961

COMMUNIST PARTY LEADER ON COALITION PLANS, OTHER ISSUES

PY090230 Buenos Aires SIETE DIAS in Spanish 29 Jun 83 pp 18, 20, 21, 22

[Excerpts] Andre Maurois was once asked by his students to give a definition of civilization. The writer scratched his head and replied: "Civilization is nothing but the acceptance by men of a minimum number of common ideas." (He said nothing about women.)

Taking into account this definition, we must admit that the SIETE DIAS interview with Maria Cristina Guzman (centrist-rightist leader) and Irene Rodriguez, (Communist Party candidate for vice president) was an example of civilization and civility.

They did not pull each other's hair. Neither did they engage in an open confrontation. Nor did they abandon their subtle cordiality during the interview. Nevertheless, they disagreed on almost everything.

The fact of the matter is that here in Argentina--until a short time ago--one could dissent only with a pistol in one's hand. Heretofore, even pacifists are surprised at peaceful dissidence.

However, it is good to make it clear that we were talking with two experienced politicians--experienced despite their age--who represent two extremes within the political spectrum.

Therefore, in addition to their mutual cordiality, we must admit that they agreed on very general matters only:

Argentina must remain a member of the Latin American bloc, of the Third World and of the Nonaligned Movement.

Fear must be eradicated from Argentina.

Unions must be independent from political parties.

The same salary must be paid for the same job done by either men or women.

Paternal authority must be shared by both parties.

However, they did not agree on either symptoms, diagnosis or on who is to be blamed for the current situation. Neither did they agree when identifying our traditional enemies. That is why perhaps they also disagreed on solutions and priorities (even though both leaders proposed magic solutions, but that is another story. If you are interested, go on reading).

They also disagreed on the existence, or inexistence, of "state terrorism." Neither did they agree on the fact that "a destabilization plan" may be in preparation.

And, as could be expected, they also disagreed on the following:

The separation of the church from the state.

The need to approve another law on divorce.

The existence of the Trilateral.

The acceptance or rejection of Isabel's candidacy.

The role that international Marxism plays in America and the identification of those who are actually promoting guerrilla activities. (At this point we must underline a remarkable coincidence: the two leaders complained that the armed forces document has deliberately omitted reference to activities of the Triple "A" and of other paramilitary armed groups).

[Question] To begin with, I would like you to tell me who is, in your opinion, responsible for our current situation, and who are our traditional enemies.

[Rodriguez] We believe that the enemies of our independent development as a nation have led our country to the present situation. They are the foreign monopolies (which are the owners of the key levers of the national economy) and the subsistence of Latifundia, which have given rise to the dramatic contradiction that while there is so much idle land in our fatherland, peasants and rural workers wander around looking for a job.

[Question] I would like to draw your attention to the different diagnoses that you have. You seem to be talking about two different countries. I thought we could tell our traditional enemies from those who are responsible for our present situation. It is perfectly clear that you disagree on who our enemies are.

[Rodriguez] We believe that those who are responsible for the present situation are also the enemies of the nation.

[Question] In which sectors of our country are foreign monopolies operating? How do they operate?

[Rodriguez] In the heavy, oil and petrochemical industry. (It was not by chance that this government has renegotiated contracts that will undoubtedly have to be analyzed by the future constitutional government.) As for how they

operate, it is easy to see. One-third of the productive apparatus has been destroyed. Forty-three percent of the installed capacity remains idle and our gross domestic product dropped 6 and 5 percent in 1981 and 1982 respectively. It is also easy to see the tragic consequences of all this: 1,500,000 unemployed workers, 50 percent decline in salary purchasing power and nothing less than \$70 billion (almost twice our foreign debt) that has been taken from workers in recent years.

[Question] How did you arrive at that figure?

[Rodriguez] Between 1973 and 1976, the workers' share of the national income was 38.5 percent...and not it is below 30 percent.

[Question] Let us consider the matter from another point of view. Do you think the military are to some extent guilty for everything that has happened in our country?

[Rodriguez] I agree with Maria Cristina Guzman that the country has almost lost its own national identity as a result of an overwhelming moral, socioeconomic and political crisis.

[Question] And who is to blame? (Ghosts) Multinational companies? Or that [word indistinct] that Peron used to refer to as principalities [sinarquia]?

[Rodriguez] No, I do not think ghosts are to blame, but if so, they are very clearly identified and all of them have names, surnames and even a geographical location. What happens here is that all those ghosts--which are real--have local representatives who defend their interests. If you want to refer to the military process, we could talk about the plan implemented by Martinez de Hoz and his successors, who have evidently served antinational interests.

[Question] We believe that this charge is too serious to be overlooked. We must learn whether the process and Martinez de Hoz made a mistake "on purpose" in order to favor foreign interests...or whether it was only a bad choice or the result of lack of either experience or control.

[Rodriguez] I think they implemented a perfectly well designed plan aimed at destroying the national industry and at turning our country into a raw material supplier with a merely complementary industry. For this purpose, one-third of the productive apparatus was destroyed.

I believe the plan was designed to benefit foreign monopolies. The goal was to weaken our country, because under the overall strategy of imperialism, Argentina's role must be that of a raw material supplier.

[Question] In many of their speeches, Communist Party members have talked about a conspiracy against the upcoming elections or against future democracy.... What are they exactly talking about? Are they talking about a maneuver inside or outside the current government?

[Rodriguez] We are sponsoring the creation of a front, a united movement or a coalition that could give constitutional guarantees and that could work against the growing instability that we are witnessing. We believe that a destabilization plan is under implementation as revealed by the socioeconomic chaos—created by the enemies of the people and foreign monopolies—and by the countless threats, attacks and kidnappings that have ultimately resulted in the murder of two Peronist leaders.

[Question] And what is, in your opinion, the objective of this "atmosphere"?

[Rodriguez] The objective is to foment instability in order to thwart elections or, should they fail to do so, to impose conditions on the future government or to take the preliminary steps leading to a coup d'etat.

All political forces, even the church, are concerned over this matter. We believe that the only way to neutralize the plans designed by imperialism is to create a democratic, anti-oligarchic and anti-imperialist front capable of putting an end to dependence and setting the course leading toward our national liberation.

[Question] We still have to talk about violence. We were once taught that violence at higher levels elicits violence at lower levels. We were later taught that the opposite was true. Now we must know why we have turned into violent people and why there is violence everywhere. Is communism in favor of armed struggle? Or is this a mere pretext to outlaw the party?

[Rodriguez] We oppose, in theory and practice, terrorist actions by either groups or individuals because we do not believe such actions will set the proper course for deep changes and for the revolution, which must be the result of efforts by workers and by the political, social, democratic and popular forces.

And just as we oppose subversion, we reject state terrorism. Even though this is not the first time we see state terrorism in action; it has reached unprecedented intensity in recent years. Therefore, we believe that the missing persons issue must be clarified on the basis of truth and justice.

[Question] I do not think the two of you are referring to the same historical period.

[Rodriguez] The thousands of missing persons, the staggering number of social and political prisoners and the use of torture as a standard method for obtaining confessions are the results of state terrorism.

[Question] Let us get to the point. Are you talking about this military government or also about the government of Mrs Peron?

[Rodriguez] Violence, which did not begin in 1976, has been fomented by the same people. I am very surprised that the military report (which is also called the final report on subversion) made no reference to the terrorist band called the Triple "A."

[Question] Has Cuba supplied funds for subversion?

[Rodriguez] That is a phrase that is very commonly used by the CIA and its agents in Argentina. And many people repeat it simply because they heard it. The only direct intervention here--an armed intervention in which even nuclear weapons were used--was carried out by imperialism during the Malvinas war.

During this war, the curtain dropped and our real enemies became known. And so did our real allies. Therefore, all those phrases that attack international Marxism are groundless because we oppose violence.

[Question] How many Communist Party members have disappeared in the last few years?

[Rodriguez] The Communist Party has experienced the disappearance of party members under all governments. You must take into account that in its 65 years of existence the Communist Party has spent 40 of them in clandestine status. But if you are referring to the recent past, I must note that 105 persons disappeared during this time. Among them are men, women, and young people whose only crime was that they gave everything they had to achieve the well-being of our people and the happiness of our nation.

[Question] What do you think about the so-called fascist dwarf that is hiding in the hearts of all Argentines?

[Rodriguez] The social basis of the Peronist party is rooted in the working class. Therefore, we cannot speak of fascism. But I believe that the working class, as such, and in keeping with the interests it represents, must be independent from its employers, the state, and political parties. And it must obviously also be independent from the military.

[Question] What do you think about Mrs Isabel Peron's possible presidential candidacy?

[Rodriguez] I believe that the appointment of Peronist candidates is the exclusive prerogative of the Peronist party.

[Question] And personally, and as a private citizen, what do you want?

[Rodriguez] Personally and politically I am the same person.

[Question] Should Argentina continue to worship the Roman Apostolic Catholic faith?

[Rodriguez] I believe that religion is a feeling that must be respected. Of course, it is [a] matter of conscience that must be decided by each individual and as such [words illegible].

[Question] I am trying to ask you if the Communist Party still believes that religion must be separated from the state.

[Rodriguez] I believe that religion should be exclusively supported by its members, which is what is democratically correct.

[Question] I would like you to tell me what you believe are the priorities that must be established by the next government so as to avoid a social confrontation.

[Rodriguez] I would not speak of priorities but of urgencies. Low salaries, rampant inflation, unemployment, lack of medical care, the lack of the most elemental nutrients. What is more, I would say that these should not be priorities of the next government, because all this is not waiting until the next government assumes power or until the next elections. This is why we maintain that there is a need to implement an emergency plan.

However, we are used to letting urgent matters wait. Behind the floods there is the scourge of dependence. Studies on flood control and on using our large hydroelectric resources, studies on expanding the irrigation system and on making rivers more navigable were done 30 years ago, but none of these things are convenient for those who want a dependent nation.

CSO: 3348/534

IGLESIAS ROUCO ON DANGEROUS FOREIGN POLICY

PY071202 Buenos Aires LA PRENSA in Spanish 5 Jul 83 p 1, 4

[By J. Iglesias Rouco: "Pro Third World Delirium"]

[Text] The latest Buenos Aires-Brasilia incident over the regular--regular, we repeat--landings of British aircrafts in Brazilian territory, and the secret missions between Libya and Argentina whose objective would not be other than negotiating reciprocal arms' sales reflect the two faces, so to say, of the same suicidal policy. We are of course referring to the policy which was set in motion in Argentina during the Malvinas War, and which since March has been officially transformed, through President Bignone's speeches and interviews in New Delhi, into a Third World position of open pro-Soviet militancy.

"Latin Americanism" Without Foundations

Brazil's cooperation with Great Britain in the South Atlantic, which will not be interrupted, according to our sources, even in regard to the refueling of British planes, despite the conciliatory declaration that Itamaraty is about to release, shows once more the absolute lack of foundations for the "Latin Americanist" program of Mr Costa Mendez and his successor, Mr Juan Aguirre Lanari, which had so favorably echoed in both civilian and military circles of an outmoded native nationalism. Far from supporting Argentina during the Marvinas conflict, and even farther from supporting it now, the Brazilian Government does not even try to cover up its "understanding" with the British Government. On the contrary, the Brazilian Government may already have reached, in principle, an agreement with Chile and South Africa for establishing a strategic system in the South Atlantic, and for a joint action in the Antarctica. All of this is being encouraged by London with the acquiescence of its NATO partners--maybe because of their lack of power to stop it. Even the possibility of an armed confrontation between Argentina and Chile as well as the logistic and politico-diplomatic support of Brasilia to Santiago in such a case may have been contemplated in meetings which have been held in recent months among diplomatic and military experts from South Africa, Brazil, Chile and Great Britain, as part of the understanding mentioned before.

As far as we know, the U.S. Government has already indicated to Argentine politicians that, should the conflict between Argentina and Great Britain flare up again, Washington will side with London as it did in May 1982.

Since in case of a clash between Argentina and Chile, Great Britain would side with Chile--which is at this time assisting without much dissimulation in keeping the Malvinas supplied--it becomes clear which kind of alliance Argentina will have to face. In sum, in addition to not having secured any substantial help from Latin America, the "Latin Americanism" of Buenos Aires has up until now achieved nothing but Argentina's territorial encirclement by Brazil and Chile, two main powers (along with Argentina) in the Southern Cone behind which, as though they were not enough, the leading nations of the West are moving.

Strange Common Front

Those facts by themselves should be sufficient to impose silence on the Argentine nationalists who are intent on having the country's foreign policy revolve about Latin American "brotherhood." And what is more, the chorus of these nationalists is now being reinforced by the hemisphere's left on issues which, just as the Central American issue, have to do directly with Soviet expansionism in the continent. The declarations by Deputy Farah of the Democratic Labor Party were among the few made in Brazil against the logistic facilities being offered to Great Britain--and he is the one who linked the Malvinas problem with the Central American conflict--leave no doubt as to the left's intentions in the continent. Encouraged by the Gignone government and by quite a few leaders of the populist political parties, the Argentine nationalists are working in association with the pro-Soviet Marxists to bring about the destabilization of all of Latin America. Also that association is facilitating the dialogue between Argentina and Libya after the long campaign which the "process" [the Argentine Military Governments since 1976] waged here against the al-Qadhdhafi regime, as well as against Castro and Arafat by accusing them of maintaining direct connections with the Montoneros and other subversive organizations over the 1976-81 period.

Arms for Libya?

According to our sources, over the last few months no less than two Argentine delegations headed by high-ranking officers went to Tripoli, and now the arrival in Buenos Aires of a new Libyan mission is expected as is the trip of another Argentine delegation to Libya for the purpose--asserted not only by Brazilian but also by Argentine sources--of providing a steady supply of Argentine-made arms with which the al-Qadhdhafi regime could considerably increase the arms pipeline to the Central American guerrillas (up until recently al-Qadhdhafi bought arms from Brazil but the business went sour after the episode in which the Brazilian authorities seized Libyan planes carrying arms for Central America). It seems that Tripoli is also interested in acquiring nuclear technology from Buenos Aires. As far as we know, this operation could be facilitated by commitments made by Argentina with Libya during the Malvinas War, and which may have accumulated to this date a debt from \$300 to \$400 million. Following its new pro-Third World policy, the Bignone government is, as we have already reported, pursuing various "commercial" initiatives in several black African states which in reality consist of arms deals through guarantees provided by the Central Banks of those countries, without any backing whatsoever from international credit institutions.

If we take into account that the United States as well as Western Europe regard al-Qadhdhafi's Libya as a merely terrorist state it is easy to imagine what will be their attitude regarding Argentina which is willing to provide arms to Libya which undoubtedly will end up in the hands of Central American guerrillas, the PLO ETA [basque fatherland and liberty] or the Italian "Red Brigades." The least that can be expected is that the Western Hemisphere will establish an ever-enclosing and strong "fence" around Argentina. Undoubtedly, it would be convenient for the Argentine nationalists--and the pro-Nazi nationalists [nazionalistas]--to stop at this point. Events have proven that their alliance with Marxism is not only feasible but also inevitable but it is hard to believe that those who constantly proclaim the name of their fatherland and its banners want to finish ruining the country.

Joint Exercises

The truth is that the regime itself has become so incoherent that nothing else can be expected from it. For example, the navy, loudly referring to the Malvinas, recently decided not to take part in the UNITAS maneuvers due to the support which the United States granted Great Britain during the war. This decision, undoubtedly, was made for the same reason which some months ago led Argentina to become a good friend of Libya, Cuba and the Soviet Union (those who proclaim the Latin American "brotherhood" should be reminded that although all the Latin American countries--except for two--supported Argentina's attitude in 1982, this year six of them have already announced their decision to participate in the next UNITAS maneuvers).

But this reason is not at all in keeping with the decision to send an official delegation headed by two navy captains, at the beginning of June, to the conference held to plan another naval maneuver entitled "Expanded Sea 84" (for the control and protection of merchant convoys) to be held, as its title indicates, next year.

Two British representatives were at this conference--and the admiralty should have known about this beforehand--since Great Britain is going to take part in the "Expanded Sea" maneuvers together with the United States, Canada, France, Germany and even South Africa. Therefore, it could be stated that although Argentina refused to take part in the American UNITAS maneuvers because of the Washington-London relationship it did not hesitate, however, to sit down at the same table as the British to plan a maneuver in which Great Britain will be its direct "partenaire" and in which not only American units but also those of NATO will be training. According to our sources the Argentine Foreign Ministry was not aware of this technical "diplomatic" negotiation carried out by the navy leadership as neither was it aware of the role being played by Captain Horacio Fisher, on behalf of Admiral Franco, before the high command of the U.S. Atlantic Fleet, in Norfolk, and which was never suspended, not even during the war.

CSO: 3348/534

BRIEFS

MILITARY VOLUNTEER ASSISTANCE—La Paz, 5 Jul (EFE)—The Bolivian Government reported today that the armed forces are willing to struggle against cocaine traffic, which has increased considerably in the last few years in the country. Information Minister Mario Rueda Pena has stated that the military high command has informed President Hernan Siles Zuazo that the armed forces are willing to actively participate in the repression against drug traffic. The Bolivian media, such as magazine CRITERIO, charged at the beginning of the year that groups of foreign mercenaries supported the cocaine traffic in Bolivia a little before the coup by General Luis Garcia Meza in July 1980. Bolivian union and political leaders had charged that these groups of mercenaries had "openly" participated in the coup d'etat that ousted former President Lidia Gueiler and in the harsh repression campaign that was launched to consolidate the Garcia Meza dictatorship. It was reported that among the mercenaries were Pier Luigi Pagliai, who was mortally wounded by Bolivian police forces in October 1982 eventually dying in Italy; Italian terrorist Stefano Delle Chiaie; and even the Nazi war criminal Klaus Barbie, who is presently under arrest in France. [By Adalid Cabrera Lemuz] [Excerpts] [PY070228 Madrid EFE in Spanish 0016 GMT 5 Jul 83]

WORLD BANK CREDIT--Engineer (Carlos Urilla Camacho), general manager of Bolivian Government Oil Deposits [YPFB], reported yesterday that the World Bank has offered a new credit of \$30 million to YPFB. He said that the offer was made to YPFB by the World Bank through its representative (John Stuart). The credit is offered in the framework of the World Bank program of technical assistance and the conditions are similar to those of credits granted on earlier occasions according to that program. [Text] [PY022225 La Paz Cadena Panamericana in Spanish 1130 GMT 2 Jul 83]

CSO: 3348/535

DAILY COMMENTS ON LATEST INDEX CORRECTION MEASURES

PY012235 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jun 83 p 3

[From the "Notes and Information" page: "The Strategy of Index Pruning"]

[Text] The announcement of a 7.8 percent monetary correction for July on the basis of an expected 13 percent inflation for June sets in motion the government's strategy to prune the most significant price indexes in order to reduce the upward inflationary pressures stemming from the removal of subsidies and from shortages caused by climatic conditions. According to Central Bank Resolution 841, the exchange correction over a 3-month period should not surpass the real inflation as measured by the General Price Index-Internal Supply (IGP-DI) calculated by the Getulio Vargas foundation, while the monetary correction is to be determined by the "pruned" IGP-DI, meaning an IGP-DI lower than real inflation.

Although we perfectly understand the government's intention of minimizing the adverse effects of the monetary correction on earnings, credits, and debits, we have the impression that the government made a decision intended to guarantee for itself a good margin for "adjusting" those indexes as it becomes necessary. We have this impression because as long as the criteria adopted for making such "prunings" are not explained in detail, we cannot but think that they involve a trial-and-error procedure.

As we see it, society has the right to know how the calculations for reformulating the IGP were made, and society also has the right to know how long the period of prunings will last, since Central Bank Resolution 841 determines that the March-June variation of the monetary correction will be equal to the accumulated variation of the adjusted IGP, and then it only says that, beginning in July, the variation of the monetary correction will be equal to the variation of the adjusted IGP accumulated every 3 months.

Before that resolution, monetary correction and exchange correction were to be maintained equal over 3-month periods. Now, under Resolution 841, the exchange correction will not be pruned, and nothing is said as to what will be done with ORTN [National Treasury Readjustable Orders] subject to monetary correction being held by investors. These investors now face uncertainty because the government might yet impose taxes on those ORTN to reduce their earnings, or resort to any other expedient for the same purpose.

The downward "adjustment" of the monetary correction will hurt investors in passbook savings because, had there been no pruning of the inflation index, they would have earned 35 percent instead of 28.76 percent. Likewise, those who participate in the FGTS [Service Time Surety Fund], those who hold shares in the PIS [Social Integration Program], and those who are to receive ORTN as refunds from the Internal Revenue will also be hurt. On the other hand, the readjustment in BNH [National Housing Bank] installments will be reduced from 140 percent to 130.4 percent as the result of the reduced monetary correction.

The government will also prune the INPC [National Consumers Price Index] by which salaries and house rents are readjusted. House rents can now be raised only up to 90 percent of the INPC. The method for salary adjustments by percentages of the INPC has not been determined. It is certain, however, that the method to be adopted will contribute to alleviating inflationary pressures, which had been created by the Murilo Macedo Law [salary law of Labor Minister Murilo Macedo], probably beginning with the salary readjustment due in August. It is true though that the buying power of salaries will be reduced.

After this wave of prunings and readjustments, the reaction of investors in the financial market is a big question, because in the next few days they may rearrange their portfolios to hedge themselves against the reduced monetary correction. For instance, there might be massive withdrawals from deposits in passbook savings (withdrawals that might be staved off if the government should grant the announced tax exemption on deposits kept above 2,000 UPC [standard capital unit used by the NGH]. The money in passbook savings could be invested in more profitable alternatives.

At any rate, the concrete results from this strategy of pruning indexes will directly depend upon an eventual drop in the rate of inflation, as demonstrated by the experience we had in 1980 when an unrealistic monetary correction caused bad distortions, such as a buildup of inventories for speculation, stimulus to excessive consumption, and lack of incentive for saving.

CSO: 3342/144

CENTRAL BANK INTERVENES FINANCIAL GROUP

PY020153 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Jun 83 p 1

[Excerpt] At 1630 yesterday the Central Bank decided to decree the intervention of the seven enterprises belonging to the Coroa group which belongs to the Paim Cunha family which also owns the Brastel group. A month ago Central Bank inspectors had discovered that the Coroa group was holding notes totaling some 100 billion cruzeiros--a sum much larger than the Delfin group's 77 billion cruzeiro default--which it was unable to repay.

The measure affects the Bank for Commercial Credit [Banco de Credito Comercial], the Coroa financing enterprise, the Coroa brokerage and the Coroa-Porto Alegre Distributor, the Coroa-Fortaleza Brokerage (Ceara) and the Option Distributor [Opcao Destribuidora] (Belo Horizonte). This measure does not affect the Coroa group's industrial and commercial enterprises which are up for sale. According to a Central Bank source, these enterprises could be sold to the Casas de Banha group or the Pao de Acucar group.

Antonio Chagas Meirelles, director of the Central Bank's banking affairs department, explained that those persons who have made demand deposits in the Bank for Commercial Credit will begin to receive their money in 48 hours, but that those who have made investments through notes of exchange will have to wait to recover their money until the company's assets are sold.

CSO: 3342/144

CONCERN EXPRESSED OVER ARREST OF VALDES

PA130003 Havana International Service in Spanish 1600 GMT 12 Jul 83

[Text] The Chilean police forces have increased their presence on the streets of Santiago and in other cities since early this morning in response to the third national protest against the military regime led by General Augusto Pinochet that was planned for today.

The movement's main objectives include demands that Chile's great problems be solved, that a democratic system of government be reestablished, and all imprisoned political and union leaders be released. The dictatorship's repression during the previous two national protest days left 7 dead and more than 1,000 arrested, and produced the legal prosecution of the union leaders who called the protests.

Last night, the Chilean police arrested 7 people while trying to prevent about 150 people from marching from the Palace of Tribunals to the Santiago public jail to demand the release of Christian Democratic Party President Gabriel Valdes, who has been held incommunicado since Saturday.

Rodolfo Seguel, president of the National Workers Command and leader of the copper workers, said from that prison complex that Valdes' arrest reflects the way that the military reacts: with cruel, brute force. If they continue on this path, Seguel said in an interview with the Italian newspaper IL MESSAGGERO, the jails and the stadiums will not be enough, for all of Chile is fed up with them; sooner or later, they must give up power.

Hundreds of people participated in a demonstration in front of the Chilean fascist regime's consulate in the Spanish city of Barcelona to protest the Chilean military authorities' repressive policy and to express their solidarity with the people's struggle for the reestablishment of democracy.

The most important Italian unions have also reaffirmed their support for the Chilean people's struggle to secure respect for rights and democratic freedoms.

In Caracas, the Venezuelan Committee of Solidarity With the Chilean People urged the people to participate in a march to protest the intensified repression in that South American country.

Venezuelan President Luis Herrera Campins expressed his concern over the arrest in Chile of Christian Democratic Party President Gabriel Valdes. UN Secretary General Javier Perez de Cuellar, Costa Rican President Luis Alberto Monge, former Argentine Foreign Minister Jorge Sabato, and Nobel Peace Prize winner Adolfo Esquivel expressed similar concern.

In Santiago, Chile, the ambassadors of France, Great Britain, the FRG, and the Netherlands expressed their concern to Chilean Foreign Minister Miguel Schweitzer over Gabriel Valdes' arrest. The charges d'affaires of Italy, Belgium and Denmark also voiced their concern.

CSO: 3348/530

CURFEW, 'REPRESSIVE' MEASURES SCORED

FL122230 Havana Domestic Service in Spanish 2002 GMT 12 Jul 83

[Text] The Pinochet military regime today declared a curfew in Santiago de Chile in response to the third national wave of protests in demand for the settlement of the crisis prevailing in the country and for a return to democratic rule.

That emergency measure aggravates the already tense situation in the Chilean capital which as of yesterday was practically militarized. Soldiers and armed policemen conduct patrols throughout the city, stop vehicles and pedestrians, and subject them to a rigorous search.

Despite these repressive measures, this morning a city bus was set afire in the center of the city of Santiago de Chile by an unidentified group of men who forced the passengers off the bus before setting it on fire. A bomb also exploded on a bridge outside of the city limits of the Chilean capital whose streets are full of tacks to discourage traffic..

Governments, organizations, and prominent people from various countries have expressed their condemnation of the wave of arrests in Chile, particularly the arrest of Gabriel Valdes who served as Chilean foreign minister from 1964 to 1970.

The ambassadors from EEC member countries yesterday met with Chilean Foreign Minister Miguel Schweitzer to express their repudiation of that measure and demand the immediate release of Valdes. These protests were joined by the governments of Spain, Sweden, Costa Rica, Ecuador, and Venezuela and by the Christian Democratic Organization of America which described the arrest of Valdes as violation of human rights. We have learned that legal proceedings against the former foreign minister and five other leaders of Chilean Christian Democratic Party will open today in Santiago de Chile.

CSO: 3348/530

BRIEFS

CURFEW IMPOSITION, DEMONSTRATIONS--The fascist Chilean regime imposed a curfew in Santiago, the capital city, a few hours after the start of the third nationwide protest being held to demand the reinstatement of a democratic form of government and the release of all political and union leaders who were arrested. The curfew prohibits the free movement of pedestrians and vehicles between 2000 and 2400. News agencies have reported that University of Chile students plan to stage demonstrations at the Schools of Law and Medicine in the next few hours in solidarity with the nationwide protest. Other demonstrations have been organized for locations close to the Supreme Court of Justice, which is to rule today on a complaint against the fact that three Christian Democratic leaders have been imprisoned and are being held incommunicado. In addition, a bus was reportedly set on fire on a street in downtown Santiago. [Excerpt] [PA122343 Havana International Service in Spanish 1800 GMT 12 Jul 83]

CSO: 3348/530

BRIEFS

OIL EXPLORATION CONTRACTS--Bogota, 17 Jun (AFP)--The Colombian Petroleum Enterprise (ECOPETROL) signed a new oil exploration and exploitation contract with the Union Oil Company, Monsanto and Hispanoil, from Spain, covering an area of 186,000 hectares in eastern Colombia. Next Monday ECOPETROL will sign two similar contracts with COLCITCO [not further identified] for work in Arauca Department in an area of 150,000 hectares and a contract with PETROMINEROS [not further identified] covering (?100,000) hectares in the upper Magdalena River valley. The contracting companies are obliged to undertake geophysical exploration during the first year in order to obtain 300 km of seismic profile, and to drill at least one exploratory well in the next 5 years of the 6-year exploration contract period. [Summary] [PA211624 Paris AFP in Spanish 0452 GMT 18 Jun 83 PA]

SECRETARIAT FOR BORDER AFFAIRS--Bogota--The national government will create a Secretariat for Border Affairs, which will operate as an office of the presidency. The office will establish guidelines on social, economic, agricultural, and industrial policies for the country's border areas, in accordance with a law approved by the president. Among other things, this office will coordinate development programs in the border areas and will, in conjunction with the Foreign Ministry, promote agreements with neighboring countries on the handling of natural resources and on environmental protection. [Summary] [Bogota Domestic Service in Spanish 1730 GMT 20 Jun 83 PA]

CSO: 3348/512

UNION DELEGATES SCORE U.S. POLICIES IN CENTRAL AMERICA

Havana GRANMA in Spanish 11 May 83 p 1

[Article by Gladys Hernandez]

[Text] The union meeting of solidarity with Nicaragua and Central America ended yesterday, amid shouts of "They shall not pass!" with a joint declaration supported by the union representatives of 50 countries that were invited to the May Day festivities.

The document denounces the use of Honduras as a spearhead against Nicaragua and the Central American peoples and states that the U.S. Government is arming Honduras. It also demands an end to the attacks and threats against our Nicaraguan brothers.

The meeting was inaugurated by Jesus Escandell, from the National Secretariat General of the CTC [Central Organization of Cuban Trade Unions]. After welcoming the delegates, he pointed out that our sister nation of Nicaragua is today confronting the fury of an American administration that allocates millions of dollars to the CIA to pursue aggressive economic and military plans against the young revolution, to which end it makes use of units of former Somoza guardsmen in Honduras and in the United States itself, who sow terror and death among the Nicaraguan people.

Escandell also condemned Washington's domineering attitude, which is highlighted by its increasing aid for the regime of mass murderers that prevails in El Salvador, where the most elementary human rights are violated and more than 50,000 persons have already been slain.

Moreover, Escandell pointed out, we also denounce the oppression suffered by the workers and people of Guatemala, where longings for freedom are violently repressed and men, women, children and the elderly alike are persecuted and massacred.

WFTU Representative

The representative of the World Federation of Trade Unions (WFTU), Dr Yuri Vasilshuk, the federation's socioeconomic adviser, spoke out against the region's extreme poverty and stressed that the time has

come for mankind to allocate funds to solve these problems. This is a major embarrassment to capitalist society, and the main culprit is the Reagan administration, which caused a serious economic crisis from 1981 to 1983, marked by falling prices, unbalanced trade and other indicators that have ruined the economic plans of the developing countries.

Speech by Member of Presidium of Central Council of Soviet Unions

On behalf of Soviet unions, Victor Lapshin stated that his country supports the efforts of Latin America to defend its sovereignty and independence and to choose its own destiny without foreign influences. The Soviet Union is therefore concerned about the situation in the region and follows it closely.

He then pointed out that the Reagan policy, as expressed in his latest speech, is an attempt to turn back history, because they are afraid of the anti-imperialist movement that is gaining strength in Latin America. Thus, Washington has distorted the real objectives of liberation in the area and left these peoples no recourse other than struggle to secure their rights. Washington is now making a great deal of noise in a bid to soften up public opinion in the region.

Special speeches were delivered by the delegations from El Salvador, Scotland, Grenada, Cyprus, Guatemala, the GDR, Ethiopia, Brazil, Mexico, Vietnam, the Palestinian people and Nicaragua. Francisco Grady, the representative of the Sandinist Union Federation, amplified on the struggle that Sandino's homeland is waging to overcome obstacles and keep up production and defense efforts amid the aggressions of imperialism; they are certain of victory, however, because the border will be the graveyard of the counterrevolution.

Joint Declaration

Roberto Prieto, the executive secretary of the Permanent Congress for Latin American Workers Trade Union Unity, read the joint declaration that was approved by the delegates at the Union Meeting for solidarity with Nicaragua and Central America. It supports the struggle of the Salvadoran patriots and of the people of Guatemala and voices solidarity with the people and workers of Panama and with Suriname and Puerto Rico.

8743

CS): 3248/960

U.S. 'IMPERIALIST HYSTERIA,' THREATS REJECTED

Havana Provincial Party Resolution

Havana GRANMA in Spanish 27 May 83 p 1

[Text] In the face of the worsening war hysteria and the reactionary threats of aggression against our homeland by Mr Reagan and the main spokesmen of the fascist American administration, our revolutionary people firmly and resolutely express their unflinching determination to struggle, bluntly reject the vulgar statements by imperialism's representatives and are prepared to defend the revolution at whatever price is necessary.

To defend it as in the Bay of Pigs during the mercenary invasion there in 1961, when the banners of socialism inflicted the first major defeat on imperialism in Latin America.

To defend it as in 1980, when in a combative march our entire people demonstrated their readiness to defend their revolution to the last man or woman.

To defend it as during the October 1962 crisis, when the nuclear threat failed to intimidate us.

The residents of the capital also demonstrated their willingness when more than 100,000 militiamen from the 163rd Army Corps received combat banners in Revolution Square on 11 December from our commander in chief, swore to defend every inch of our territory and reaffirmed their unwavering determination to commemorate the 30th anniversary of the Moncada exploit by making good Comrade Fidel's appeal to devote ourselves as never before to production and defense.

The order of the day is to prepare to repel any enemy aggression, and therefore the Provincial Bureau of the Party calls on all of the people in the capital to redouble their combat and political training efforts and:

1. To register in the Reserves of MTT [Territorial Troops Militia] Units which have already been formed and given their banners, so that

each militiaman has a replacement in the event of some emergency, so that combat units are not adversely affected and so that they are at 100 percent strength in the event of an aggression.

2. To bring more combatants into the MIT's by boosting the involvement of women in new units that are created, in keeping with their continual, manifest willingness to join the MIT's.

This movement should promote the expansion of our province's militia force as quickly as possible by streamlining registration procedures at work centers and making the required documentation available along with the political and mass organizations at these centers.

3. To guarantee the participation of the comrades selected to take the MIT command personnel courses.

4. To boost timely assistance for militiamen in combat training and target practice, by guaranteeing transportation to the areas set up for this purpose, as well as other necessary elements. We should remember that each militiaman and militiawoman must be able to shoot and shoot accurately.

5. To continue increasing the participation of MIT units in the concentrations [concentrados] of the MIT Provincial School, inasmuch as this will guarantee their combat cohesiveness and comprehensive training.

6. To promote voluntary contributions from the workers to the self-financing of the MIT's.

7. To keep documentation up-to-date in the Military Register.

We call on the mass organizations, the Union of Young Communists, the workers, women, peasant farmers, students and government organizations in the capital to perform with revolutionary enthusiasm all of the missions that they are assigned in enhancing the combat and political capacity of the first socialist State in the Americas.

As the GRANMA editorial reaffirms: "We passionately love the undertaking that our people are selflessly engaged in. Nothing is dearer to us than the future that we aspire to give to our children, but the respect and dignity of Cuba are equally close to our heart."

We are prepared to repel any aggression and to defend every inch of the homeland's sacred soil to the last drop of our blood.

As entire generations of Cubans have reaffirmed ever since the words were first spoken in the jungle of deliverance, we today quote the Bronze Titan: "Whoever attempts to seize Cuba will harvest the dust of its blood-soaked soil if he does not perish in the struggle."

Issued in the city of Havana on 26 May 1983, "year of the 30th anniversary of the Moncada."

The Executive Bureau of the Provincial Committee of the Party in the City of Havana

FMC National Committee Statement

Havana GRANMA in Spanish 28 May 83 pp 1, 3

[Text] It was with profound contempt and indignation that we Cuban women learned of the latest manifestations of imperialist hysteria.

Faithful to his fascist policy and reveling in his domineering arrogance, the enemy has once more demonstrated his ignorance and stupidity by daring even to think about making our Socialist Cuba part of his rotten, discredited system.

How uncouth and cynical American rulers are! How dare they invoke the name of Marti, that consistent anti-imperialist who so clearly alerted the Cuban people to the greedy ambitions of the Yankees, to their exploitative, predatory essence? Have the U.S. rulers forgotten the crushing defeat they suffered at the Bay of Pigs? Don't their ears resound with the strong and energetic response that millions of Cubans have voiced to their threats and aggressions during the 24 years of the revolution?

Solidly united with their glorious party and ready to carry out the orders of our commander in chief, each member of our society is prepared to defend the free, sovereign and independent homeland with his last breath of life.

There was an ignominious 20 May, but we forged a brilliant 1 January! Let the servile counterrevolutionaries settle for memories of their "past glories," let them settle for the paltry incentives that their masters offer them! We will never move backward!

The threats of an imperialist invasion do not frighten us! That kind of macabre adventure could cost them dearly. Remember Vietnam! They have thrust upon the shoulders of the American people the burden of the economic disaster that they set in motion with their mass murder in Vietnam and they have sullied their image with the moral ruin that it entailed. American mothers will never forgive those who used their sons as cannon fodder and who turned them into conscienceless puppets by having them murder women and children and destroy entire villages and who ruined their faith in the future.

Some day the American people will settle accounts with those who have toyed with their honor for so long just to fill their bank coffers with gold. It is these new warmongers who are speaking through

their decrepit president and their stale spokesmen, who day after day propound imperialism's insane policy.

They fear the awakening of awareness, the search for justice that is making headway. They fear the example of Cuba in a world suffering conditions a thousand times worse than the ones that we confronted 25 years ago. Here, where there was sadness, pain and death, life now flourishes in spite of their threats, their attacks and their blockade. They fear the shining light of the reality of the Cuban Revolution, a shining light that their lies and infamy cannot put out. They fear the vigorous strides of the revolution on this continent.

We are proud of the accomplishments of the revolution. We Cuban women deeply love the life that we are building, the glorious forge in which our sons are growing strong, but we will not hesitate a second in choosing between dignity and a miserable existence. Fatherland or death! is not just a rallying cry; it is an expression of awareness, a principle, an unassailable conviction.

Cuba's women have never been remiss in taking their place in the defense of the homeland. The immediate response to each new Yankee threat has been total willingness to take up arms or perform the necessary tasks. Tens of thousands of women heeded the call to form the Territorial Troops Militias by signing up, and since then thousands more have made their commitments.

A few weeks ago the women of Pinar del Rio said yes to the request for more members of the militias. Teenagers in school uniforms, alongside white-haired grandmothers, swelled their ranks. Today throughout the country more and more women are joining the MTT's.

Yes, Fidel, we women are here! We will show in the trenches and in the rear guard that we are a true force, a true army in service to the revolution.

Today, in every delegation throughout the country the women of the federation are reaffirming their willingness to join the militias, to join the ranks of the glorious Revolutionary Armed Forces, to take their posts in defending the revolution.

If the enemy dares to attack us, the homeland will see us march into combat, and rather than be anyone's slaves, we will turn our glorious land into a volcano of fire and iron on which imperialism will never be able to place its vile boot.

As our commander in chief said:

The Cuban people will live with their revolution or will see every last man and woman die alongside it!

Onward, Cuban women, it is the hour of rebel patriots!
Fatherland or death!
We shall overcome!
National Committee of the Federation of Cuban Women

DRUG TRAFFICKING ACCUSATIONS BY U.S. SCORED

Havana VERDE OLIVO in Spanish 19 May 83 No 20 pp 14-15

[Commentary by Santiago Valdes: "The 'Cuban Connection'"]

[Text] Under the suggestive advertising slogan "The Cuban Connection" a new anti-Cuban campaign is taking shape in the United States in a bid to implicate our country in the drug trafficking that has been the scourge of many countries for years now, American society in particular.

The ruse is not new, but special emphasis has been placed on it since the coming to power of the ultraconservative administration headed by Ronald Reagan, who has been obsessed with attacking and slandering the Cuban Revolution.

As the White House has met with major foreign policy failures, particularly in Central America, with mounting opposition in Congress and among the public to its approach to regional problems, the anti-Cuban rhetoric has gotten louder in official U.S. media, in a misguided bid to undo the almost 25 years of struggle that our people have waged in the face of the United States's domineering and aggressive conduct towards Cuba.

Our country's alleged involvement in drug trafficking into the United States was widely publicized last year, at times heavily so. The obvious aim was to influence the American people and lawmakers, as was the case last November and December, when legislative elections coincided with a special session of Congress at which, among other bills, one was supposed to be passed to start up an anti-Cuban radio station.

They would have us believe that Cuba, which with the triumph of the revolution in January 1959 put an end to more than 50 years of a bourgeois republic beset with all of the social vices imported from its neighbor to the north, such as gambling, prostitution and drugs, is guilty of providing channels for drug trafficking, allegedly to use the profits to arm revolutionary movements in the hemisphere, on the one hand, and to mitigate the effects of our economic situation, on the other.

We should really not waste any space countering this vile, base and slanderous U.S. propaganda, which, moreover, is totally devoid of credibility.

The history of drug addiction in the leading capitalist power is nearly as long as its so-called democracy.

Almost a century ago, in 1885, in the midst of the capitalist boom, an American drug company by the name of Parke Davis was promoting cocaine as a wonder drug that "would substitute for food, make brave men out of cowards...and rescue alcohol and opium addicts from their enslavement."

We might assume that over time and with the development of a society that proclaims itself a model of democracy and virtue, such incitement to drug addiction would tend to disappear.

But the nature of capitalism is showing itself so plainly, as it eats away at itself so obviously, that a pharmacist of 1885 would be bewildered to see current conditions in American society, with its drugs and other vices.

In the U.S. capital itself, to cite just one example, there is a store called "The Pleasure Chest," which specializes in accessories for inhaling drugs.

This is going on right under the eyes of America's courts, police and government, which is endeavoring to conceal its obscene, dying bourgeois morals with false claims of Cuban involvement in drug trafficking.

That store, as well as "The Snow Lady" in Hollywood and countless U.S. drug stores, sell products that promote rather than discourage drug use.

Peter Bensinger, who between 1976 and 1981 was director of an agency that combats drugs, acknowledged on one occasion that "we see cocaine sales in the suburbs, at recreation centers and in national parks."

A recent article in TIME disclosed that advertising men in some of the best Madison Avenue offices offer their clients cocaine instead of martinis, in keeping with the prevailing ethical standards in the United States.

Investigators estimate that over the past 2 years the number of Americans who used this drug alone rose from 15 to 20 million and is still rising; they stress that there is a dangerous trend towards mounting consumption among young people. Every day, they go on to say, some 5,000 people inhale "coke" for the first time.

According to American publications, because of its high cost (about \$150 a gram and \$2,500 an ounce), cocaine is a middle- and upper-class drug in U.S. society, whereas marihuana and heroin can be afforded by the lowest-income strata.

An article in TIME magazine stated that more than 25 million regular users spent some \$24 billion dollars on marihuana in 1980, adding that another 25 million smoked it for the first time. According to the 25 October issue of NEWSWEEK, federal sources estimate that the "weed is being grown in almost all of the country's national parks."

Carlton Turner, an adviser to President Ronald Reagan, admitted in recent days that in spite of the measures that have been taken, the epidemic of drug addiction is out of control.

News sources reported that in 1982 more than 79 million people consumed marihuana and cocaine, 35 percent of the U.S. population.

Estimates are that in 1962 only 4 percent of young people between the ages of 18 and 25 consumed marihuana, whereas last year the percentage was an incredible 64.

It is a known fact, and U.S. authorities admit as much, that drug use has been increasing year after year among high school teenagers; other vices include alcoholism and child prostitution, one of the latest U.S. contributions to world morals.

A survey early last year found that 16.5 percent of high school students were using cocaine at the time.

Drugs are big business in the United States, earning traffickers billions of dollars, with cocaine alone bringing in more than \$32 billion, according to official sources.

Perhaps the worst part of all this, U.S. Attorney General William French Smith stated last month, is the inevitable police corruption.

In early 1982, an article in U.S. NEWS AND WORLD REPORT stated, Dade County police arrested one of the department's chiefs, in whose possession was found a pound of cocaine.

The judicial system is involved in this network of complicity and corruption too. The courts, police officials assert, "do not take cocaine use or trafficking cases very seriously" and "do not always apply stiff penalties" for its possession.

This is precisely the sort of justice that has been sought for somewhat more than a year now in Miami in a ludicrous, fraudulent trial based on the flimsy testimony of Cuban-born traffickers residing in the United States, who claim that Cuba has been involved in the drug business for years. Their most brazen claim, however, is that officials of our government and members of the FAR are involved. Not surprisingly, they have so far not furnished a single piece of evidence of this alleged involvement.

Although it might not seem that incredible anymore for the president of the United States to act periodically as the mouthpiece of routine anti-Cuban slander, he went further on 6 May in Phoenix when he claimed to have "solid evidence that high-level Cuban Government officials were involved in drug trafficking" in his country. We are obviously still waiting for the evidence to be made public, and we will have to wait much longer to confirm its alleged solidity.

FBI Director William Webster said on 24 April that Cuba is furnishing "some protection" to drug traffickers, and not to be left behind, Attorney General William F. Smith stated last week that the Justice Department had "significant evidence" of Cuban involvement in such dealings.

Officials and high-level figures in the current U.S. administration regularly suffer memory loss, and it is not pointless to remind them that until a few months ago our country cooperated with U.S. agencies engaged in halting the drug traffic, mainly by sea. When the campaign began late last year to falsely link Cuba to this traffic, the cooperation was suspended, however, and Washington was publicly challenged to produce the evidence of the alleged involvement in drug trafficking. The evidence has not yet surfaced.

To refresh the FBI director's memory, we need only remind him that several U.S. congressmen are aware that drug traffickers have been arrested in Cuban territory, some of whom have been released, generally in response to U.S. requests.

For example, Republican Senator Lowell P. Weicker arranged for the release of three American drug traffickers and asked our government to free 13 other U.S. citizens who had been convicted of the same crime and are serving time in our prisons.

Republican Congressman Mike Leland argued for the release of two convicts from Texas.

One by one, Cuba has brought to light the fraudulent campaigns aimed at discrediting the clean record of its revolution, which does not resort to crooked associations with the Mafia, as is customary in U.S. society, where the CIA is known to use drug traffickers for its dirty work, its spying activities, its blackmail and its efforts to destabilize governments.

The current propaganda offensive about Cuba's alleged ties to drug trafficking bear the mark of the CIA, which specializes in trumping up such all too well-known charges and which regularly resorts to these deceitful procedures under its overall plan to subvert our country.

The prestige of the Cuban Revolution cannot be tarnished by such lies. However, if we did need proof that what we are witnessing is further slander from a shady source but with a clear-cut objective, we would

only have to point out that a few weeks ago and in spite of U.S. opposition and pressure, Cuba completed a rescheduling of its relatively small foreign debt, which is equivalent to just a tiny percentage of the fabulous profits that accrue to the people engaged in expanding the illicit and degrading drug traffic.

The "Cuban Connection" campaign will not withstand its inevitable encounter with the facts, and it would not be surprising if the American media themselves took the lead in exposing it.

Cuba has been and will be prepared to cooperate in the battle against drug trafficking, as long as it is not utilized to attack us and thereby to camouflage the foul social realities of the American system.

8743

CSO: 3248/962

AGRARIAN REFORM IN EL SALVADOR CALLED 'CARICATURE'

Havana VERDE OLIVO in Spanish 19 May 83 pp 16-17

[Commentary by Roberto Morejon: "A Phantom Reform"]

[Text] Even though 2 percent of El Salvador's population owns 60 percent of the land, Ronald Reagan has ventured to claim that Alvaro Magana's regime, which the United States is propping up, "is keeping its promises of democracy and reform."

Only the mind of the Yankee president could still entertain the notion that there is justice in a country where the most intolerable social inequalities prevail.

The only people who live comfortably in Central America's smallest republic are the 14 families that control half the national income, the ranking army officers with ties to the oligarchy and bourgeoisie, and the rightwing cliques that receive contributions from the above well-to-do groups.

There is no doubt about it: the destiny of five million people is in the hands of a minority protected by Washington. The oppression remains the same as it was in the 1930's, when the nation's first revolutionary uprising of the century took place; 30,000 people were massacred when it was put down.

Christian Democrats, fascists, military figures, Reagan, Shultz, Weinberger and company insist that economic reforms leading to peace and justice have taken place in El Salvador.

Their claim is not in keeping with the facts. The nation is characterized by a farm export economy dominated by coffee production, which has heightened its dependence.

Continued private ownership of the land (by a few families) has worsened class contradictions, and this has been compounded by the repressive policies of the various military and civilian regimes.

The government of Alvaro Magana, installed in the wake of the questionable elections in 1982, has done nothing to change the longstanding patterns of domination, and the economy has gone into a steeper tailspin since then.

The coffee industry, for example, has deteriorated considerably because of the shortage of foreign exchange for purchases of machinery and inputs. Plantations were hard hit by labor shortages due to the emigration besetting El Salvador.

For 3 straight years the country suffered economic decline, which in 1982 was estimated at 20 percent, while inflation climbed to 54 percent last year.

There have also been drops in commercial, industrial, financial and production activities; a more than \$400 million deficit is preventing the government from meeting its international commitments, and loans are down.

Investors often close factories and businesses because of the economic stagnation and the effects of the war. They then pack the bags of their relatives, whom they send to Miami or Western Europe, far from the unrest.

Others take off and leave nothing behind. The process of capital depletion, which began in 1979, is a problem for Magana and the United States that threatens to cause internal collapse, in addition to having led to a foreign debt of \$1.11 billion.

Some 60 percent of companies have gone bankrupt, with no hope that the trend will stop, because only the defense area of the budget is growing.

Although the United States has given El Salvador close to \$800 million over the past 3 years, this aid has served only to purchase weapons and advisory services for the local Armed Forces.

The White House's publicity, of course, would have us believe that the "aid" has gone for such important things as the never fulfilled promise of an agrarian reform, a longstanding aspiration of El Salvador's peasant farmers.

Such a reform has been one of the banners raised on high by Napoleon Duarte first and Alvaro Magana later, with the United States bestowing praise in the background.

In practice, this program is a Washington-imposed model aimed at enhancing the tarnished external image of El Salvador's rulers and, at the same time, at developing more acceptable forms for the army's repressive policies.

Roy Prosterman, the director of the American Institute for Free Labor Union Development (AIFLD), worked on the program and brought to it the experience of his years as an adviser to the South Vietnamese puppet Nguyen Van Thieu.

Previous Salvadoran regimes such as Arturo Molina's (1972-77) promised to make changes in the rural sector (quite timid ones, to be sure), but the oligarchy always put up opposition because it was afraid of losing its control over the production of coffee, cotton and sugar, mainly.

When the military took over after the 15 October 1979 coup d'etat, they also announced that they would fulfill the longstanding desire of the landless peasants and in 1980 proclaimed with much fanfare the start of a program of agrarian "transformations."

They were above all trying to confuse the citizens by making them believe that after the "reform" no struggle would be necessary because the people would in the future have all that they dreamed about.

As the months went by, many people realized that the government's move was an attempt to keep the peasant farmers away from the guerrillas at a time when the victory of the Sandinist revolution had made a major impact on El Salvador.

The true aim of the plan gradually became clear. A few dozen farm workers were bribed, while the vast majority saw none of the alleged benefits.

Under the articles of the "reform," tracts of land of 500 hectares and more would be affected, but this would do little harm to the interests of the coffee-industry oligarchy, because the beans are grown on estates covering between 50 and 150 hectares.

The program announced in 1980 hampers peasant farmer organization, further carves up growing areas and relies for its enforcement on agencies such as the COCCO [Self-Help and Mutual Aid Communal Development and Cooperation Program], which is government-run and has ties to repressive paramilitary groups, and the Agriculture Ministry, which is devoid of funds and technical and administrative capabilities.

We might ask who the main beneficiaries are of the coopted agrarian "reform." Well none other than rural dwellers with links to ORDEN [Nationalist Democratic Organization], a fascist group, and to UCS [Salvadoran Communal Union], which was founded by the AIFLD, a known labor front for the CIA.

The few landowners whose estates were expropriated were compensated with generous indemnizations that were later deposited in other economic areas, which enabled them to keep their source of income intact.

The so-called Salvadoran agrarian "reform" has not worked because it is a crude caricature of what a true process of transformations in agriculture should be.

None of the money that the United States has invested in El Salvador has helped to create a moment of happiness, but it has led to death and hatred.

Entangled in a phantom "reform," Reagan has dared to speak of the "gains" that El Salvador has made, when the country is, in fact, on the verge of collapse.

Only a political settlement that acknowledges the Farabundo Marti National Liberation Front-Revolutionary Democratic Front as the true representative of the people can lead to peace and justice. The five million Salvadorans victimized by U.S. meddling are demanding this kind of settlement, not the kind that the Yankee chief executive is calling for.

8743

CSO: 3248/962

MAMBISA ENTERPRISE ORDERS EIGHT SHIPS FROM SPAIN

Havana GRANMA WEEKLY REVIEW in English 12 Jun 83 p 3

[Article by Emilio del Barrio Menedez]

[Text]

● THE MAMBISA Shipping Enterprise, operator of the Cuban merchant fleet under the Ministry of Transportation, ordered eight multipurpose oceangoing cargo ships of the San Mamés type from Astilleros Españoles, S.A. shipyards in Spain. The total cost of the eight vessels is approximately 100 million dollars.

Each 15 850-ton deadweight vessel has a length of 148 meters and a width of 22 meters. Their 7420 horsepower main engines give each vessel a cruising speed of 15 knots.

They are equipped with modern radar and satellite navigation equipment and meteorological charts. Such equipment can not only accurately pinpoint the ship's exact position but, also, precisely forecast weather conditions in the zone through which it sails, as reflected directly on the maps transmitted by radio.

Vessels of the San Mamés type — which take their name after the place in Bilbao where one of three shipyards is located — are designed for up to 15 500 tons of general cargo, 22 700 cubic meters of bulk cargo, or 445 containers, hence its multipurpose designation.

Multipurpose vessels are purchased for various reasons: they can easily adjust to the peculiarities and needs of Cuba's foreign trade and Cuban port development. These vessels can carry out loading and unloading operations both in highly specialized terminals and small and rudimentary wharfs.

Moreover, operating a number of "twin" vessels like this is highly advantageous. It enables Cuban repair yards and shipyards to keep a steady turnover of parts and standardize the

technicalities of repair work, crew members can develop a high level of specialization, bulk purchasing of parts and supplies on the world market costs less, and so forth.

Once the eight vessels are fully operational — the first will join the merchant fleet late 1984, the last by late 1985 — Mambisa Shipping Enterprise will be operating 73 oceangoing vessels with a total deadweight of 951 850 tons. Only Brazil and Argentina have bigger fleets in Latin America.

CSO: 3200/43

MADRID PAPER INTERVIEWS FDR'S UNGO

PN302135 Madrid MUNDO OBRERO in Spanish 24-30 Jun 83 pp 26-27

[Interview with Salvadoran Democratic Revolutionary Front (FDR) Chairman Guillermo Ungo by Leo Gabriel Apia--date, place not given]

[Text] Question: Is there any sign that the United States is now more prepared to accept dialogue in El Salvador than previously?

Answer: There are more words to that effect, but there are more deeds to the contrary. That is, the deeds are demonstrating an intensification and an extension of the military strategy, not only in Honduras but throughout the region. Perhaps the only deed apart from words in the field of dialogue is the appointment of special envoy Richard Stone, but that must also be put to the test; whether he is talking only for talking's sake or whether the dialogue really has the political aim of opening doors in order to resolve politically all these problems, particularly the problem of the U.S. aggression.

Question: Mr Ungo, many signs indicate that the U.S. proposal for a possible multilateral negotiation will consist in granting the Salvadoran opposition the same rights as those which the Nicaraguan Government would be prepared to grant its armed opponents. Would you accept this approach?

Answer: We maintain that the Central American problems have common historical and structural factors, but also have particular specific realities, so that they require various forms of bilateral, plurilateral, or multilateral treatment. In the case of El Salvador, it is obvious that it is an essentially domestic conflict which should be resolved by the opposing sides. This has been acknowledged by international bodies such as the United Nations, in its resolution in which an appeal is made for dialogue and negotiation. We believe that we have our own problems and that we should resolve them; that is, nobody can negotiate on behalf of El Salvador, nor can we negotiate other situations which are not ours.

Question: What if, for instance, the U.S. proposal made the approach made to Nicaragua depend on the response made by the Farabundo Marti National Liberation Front to the Salvadoran government?

Answer: This has been the tactical recourse for saying "No," without openly appearing to say "No" to dialogue. A comprehensive approach, a regional approach, an interchangeable approach, is unacceptable to us.

Question: Within a perspective of negotiations with elections, what would be your opinion on the postponement of the date of the elections which is being conjectured currently in El Salvador?

Answer: We have asserted that in the first place they do not deserve to be called elections; they are elections of the right, and for the right it is a problem of themselves and their conflicts. They have asserted through their hegemonic struggles among themselves that they are their elections and that they are putting forward their problems. A trend toward postponement is occurring precisely because they cannot resolve a set of conflicts among themselves. It is the Americans' politicomilitary strategy which views the elections as the "political trimming" for their strategy of war, with a rather short-sighted view which is now yielding them poor results. They are seeing the need to postpone them in order to be able to continue with their strategy of war and at the same time given the various forces within the government time to settle their problems. So it is not our problem but their problem. We have said that we accept discussing and agreeing on the electoral aspects, as a form of participation by the people, as part of a political solution, but that this is connected with other fundamental aspects, which concern the current power structure. We believe that elections are part of the agenda of a negotiation but can be no substitute for a political solution.

CSO: 3248/1012

FDR'S UNGO ON AREA SITUATION, 'U.S. INTERVENTION'

PA300933 Mexico City EL DIA in Spanish 14 Jun 83 p 14

[Article by Jose Luis Camacho]

[Excerpts] Guillermo Ungo, president of the FDR and secretary general of the Salvadoran National Revolutionary Movement, warned yesterday that Ronald Reagan's government is increasingly carrying out actions and pursuing developments that are expanding and regionalizing the conflict in Central America, particularly with regard to Nicaragua.

In an interview with EL DIA, Ungo said that the most recent developments in the area are a confirmation of that policy, which is marked by ever greater military involvement in the area. The visit of Honduran General Alvarez to the Pentagon; the possibilities, mentioned by the officials themselves, of installing even larger military bases; and the training of over 2,400 Salvadoran soldiers in Honduras are developments that bear no resemblance to the statements in favor of a political solution.

"These statements seem to be only a mechanism to hide what is there for all to see: A militarist stance intended to extend the war," Ungo indicated.

According to him, the only development that has caused some expectation is the tour of the area by Richard Stone, the U.S. Government's special envoy. But even this is still to be tested. We must still see whether he is really a peace envoy or whether he only wants to look as if he is in search of a political solution but without contributing to it, maintaining instead the same closed and inflexible U.S. position. This factor has prevented and still prevents a solution.

[Camacho] Has any progress been made?

[Ungo] "We have not seen any. Mr Stone has said nothing in his statements."

[Camacho] Could it be said that there is a strategy to reduce the Contadora Group's chances of achieving a political solution?

[Ungo] "It might be. But it is still too premature to make any statement. We might say that his is simply an exploratory visit. In this tour, Mr Stone

is not yet viewed as a mediator interested in serving as an interlocutor between the governments of Honduras and Nicaragua, but rather as one of the parties who are justifying U.S. intervention."

[Camacho] Would an internationalization of the war be the greatest fear?

[Ungo] "I think that it has already been internationalized and that it is taking an irreversible and increasingly dangerous path, leading to open war. This war is still covert, but it can no longer be concealed. The presence of the United States cannot be concealed."

Concerning the elections slated for El Salvador, the insurgent political leader indicated that they are a problem that concerns both the United States and the Salvadoran Government. "It is a problem that concerns the rightwing. These are U.S. elections in El Salvador for the Salvadoran rightwing. Even in that area the rightwing has problems, but that is their affair."

Ungo added that the Contadora Group faces a very difficult and complex task, made all the more difficult by the behavior of the United States. "I think that Contadora has gained recognition, legitimacy and support in Latin America because it is a symbol that expresses the positions of the Latin American majorities.

"But the 'great absentee' is present in the Contadora Group through its puppet governments. Still, Contadora has already produced some results. Were it not for Contadora, the U.S. intervention through Honduras would be much more brazen and open. Contadora has been a factor of both containment and detente."

Ungo added that the current Central American situation calls for greater Latin American mobilization, to prevent the expansion of an open U.S. Government intervention in Central America.

The United States has undertaken actions that contradict international opinion, Ungo indicated.

[Camacho] Will Reagan be able to wage a war before the elections slated for November 1984 in the United States?

[Ungo] "Anything might happen. It is becoming increasingly difficult for him. That is worrisome. If he thinks that it will be increasingly difficult in 1984, he might decide to do it in 1983."

CSO: 3248/1012

LAWYERS QUESTION CONSTITUTION'S PROVISION FOR JUDGES

San Salvador LA PRENSA GRAFICA in Spanish 20 Jan 83 pp 3, 21, 22

[Text] Following is a commentary by Raul Angel Calderon concerning the functions of judges and magistrates in the professional, moral, and ethical areas.

It appears that the draft of the future constitution, unfortunately for this country, does not contain the proposals recommended by the Lawyers Association of El Salvador and by the Lawyers Associations Federation concerning basic reforms that have as their object positive guarantees of justice for the Salvadoran people in the future.

In the pertinent chapter of the above-mentioned draft there is an attempt to stabilize the functions of the Supreme Court justices and other judicial officials by ensuring their independence, autonomy, and apparent respectability.

We know that the Supreme Court is the ultimate expression of the administration of justice in civil, penal, and mercantile matters and in administrative conflicts, etc. There is something else that is rather important: the Court's duty to protect the Constitution in the administration of justice.

At the same time it so happens that there is an attempt in the draft of the constitution to appoint Supreme Court justices for life, which is greatly disappointing to the law profession and especially to the various bar associations of this country. We agree with the principle of membership for life but subject to specific provisions, for example, when a justice has served for several terms in a noncapricious nonarbitrary manner, and attained the position through direct election by the Constitution or Legislative Assembly.

Judicial Tyranny

Recently, a former president of the Legislative Assembly told me that lifelong tenure for judges and magistrates was not good for the administration of justice. This former president of the Assembly pointed out that sometimes judicial officials become very unreliable and irresponsible

towards their obligations and acquired bad habits. In the end a once virtuous judge or magistrate becomes a problem member of the judiciary. In other words, such officials end up practicing "judicial tyranny," although of course there are exceptions.

We fully agree that judicial officials should enjoy financial guarantees that will allow them to devote themselves fully to the difficult and honorable task of applying the law without material concerns. We are in favor of decent salaries, taking into account the social prestige this delicate function should be invested with.

It is said that no salary, no matter how high, can ever banish the temptation to impropriety on the part of the judiciary.

Some writers, such as F. Menendez Pidal, see on connection whatever between recompense and judicial independence. "Judges," writes this author, "are either independent or not, and the financial problem plays no part. In the Spanish judiciary numerous cases can be cited of judicial officials who were splendidly remunerated and yet were hardly independent of political party influence, while others who were poorly paid and appointed from the opposition defended their independence even at the cost of transfer or dismissal."

Financial compensation is not the only way to achieve the independence of judges but it is an essential factor. Questions of great importance are aired in the courtrooms, and the judges must decide on the basis of the law and justice, overcoming all human temptation, this is accomplished with firm moral convictions and sense of propriety.

It has also been said that compensation should be adequate but no excessive, but should not be comparable to what is obtained in business, where the objective is profit. The judiciary is not a business but a "social apostolate" which deserves the highest respect when it is exercised with dignity. In addition, we know that in Costa Rica the judges and magistrates of the judicial branch receive proper salaries and good benefits and that such officials are not permitted to participate in activities for gain in any form or in party politics.

Contrary to Propriety

Morality, ethics, and judicial independence demand that the judiciary not engage in economic activity of any kind, directly or indirectly, as it would be contrary to the propriety of their functions, and threaten the very essence of the judge's task, which is to administer justice with impartiality and without self-interest. The independence of judges and magistrates requires that they remain aloof from political activities.

Unfortunately, party politics is everywhere in our society, including the judicial branch, with the naming of justices of the peace, a move which has been negative for the administrative of justice.

9015

CSO: 3248/969

BRIEFS

ISTA BUDGET CUT--ISTA [Salvadoran Institute of Agrarian Transformation] president Jorge Arturo Argueta, told members of the Social Welfare Committee of the Chamber of Deputies that the budget for this year has been cut by 13 million colons, causing serious financial difficulties.

The official was invited to testify before the committee and explain the reasons behind several decisions that have caused problems for the promoters and members of ISTA, who have asked the Assembly to intervene to solve their problems. Argueta explained that the budget cut had caused serious problems because for all practical purposes provision had been made only for the payment of salaries and amounts for the purchase of fuel, repairs, and maintenance of vehicles and others had remained at zero. Sometimes, he said, the cooperatives provided gasoline at their own expenses, and this helps in the transportation of promoters and members of the various farms. We do not have, Argueta added, the resources that the previous administration had, but nevertheless we have made great strides in consolidating the agrarian reform process.

[Text] [San Salvador LA PRENSA GRAFICA in Spanish 20 Jun 83 p 5] 9015

COTTON PLANTING DOWN--Only 40,000 manzanas of cotton can be planted this year throughout the entire country compared with 180,000 manzanas planted last year. This was affirmed by deputies from the eastern region of the country. They suggested that a special committee of the Constituent Assembly be established to visit the region, which has been buffeted by violence that has caused a series of problems, principally in agriculture and industry. The decrease in cotton planting will cause a series of problems, such as a reduction in foreign exchange revenues, a drastic decrease in employment, an appreciable decline in the production of the seed which is the raw material used in the production of edible oil, and others, the deputies stated. It is necessary to take pertinent measures to save domestic agriculture and the cattle industry on a nonpartisan basis, the deputies pointed out, because everyone is aware that we depend on crops economically speaking, that is, we are an eminently agricultural country, they concluded. [Excerpt] [San Salvador LA PRENSA GRAFICA in Spanish 20 Jun 83 pp 3, 21] 9015

FOREIGN INTERESTS BLAMED--San Salvador--Arturo Rivera y Damas, the archbishop of El Salvador, yesterday attributed to foreign interests the continuing violence in his strife-torn country and urged the people to unite in the search for peace. In his Sunday homily he said that foreign interests, whom he did not identify, are responsible for the conflict in El Salvador, where approximately 42,000 persons, mostly civilians, have lost their lives in 3 and 1/2 years of civil war. There are interests that have chosen the path of arms and violence to solve our problems. We would say that the annihilation of our people is being planned abroad, rather than the solution of our problems. The Salvadoran people must unite to find the path of peace, without accepting foreign formulas, the archbishop said. [Text] [PA050037 San Salvador Radio Cadena YSKL in Spanish 1800 GMT 4 Jul 83]

CSO: 3248/1010

BRIEFS

COFFEE EXPORTS--This year about 350 million dollars in foreign exchange will come into Guatemala by way of coffee exports to international markets, stated Engineer Adolfo Boppel, president of the National Coffee Association. Boppel added that the negative incentive to the golden grain by previous governments reduced receipts which by this year could have been greater. Nonetheless, he added that a better outlook is surmised for coffee and accordingly for the country, if the fiscal reforms in the new tax system of the government are carried out. The president of the National Coffee Association said that in the history of Guatemala, an agricultural country par excellence in which coffee production dominates, no other product has generated the economic and social wealth that coffee has generated. The statements of the Bank of Guatemala show that for the production year 1980/81 coffee brought 290 million dollars in foreign exchange into the country; in the coffee growing year 1981/82 373 million dollars worth of foreign exchange came in, and for the year 1982/83, i.e., this year, it is expected that the amount for sale of coffee abroad will reach 350 million. The president of the National Coffee Association said that Guatemala will be taking a fundamental step toward its economic development when it puts right its taxation policy, specifically in regard to agricultural policy. [Text] [Guatemala City DIARIO EL GRAFICO in Spanish 19 Jun 83 p 8] 12448

STUDY EXAMINES COFFEE PROBLEMS--The incidence of coffee tree rust or blight and the increasing danger of technology demanded for the growth of this crop prevents small producers from obtaining acceptable yields for such economic activity, according to field research carried out in the municipality of Palin, Escuintla, by students in the field of Agricultural Production technology, from the CUNSUR [University Center of the South] of the University of San Carlos. Coffee growing has been carried on for a little over a century in Guatemala, but at no time have the problems it faces been so critical as those it faces today, states the aforementioned report. To the problems of technology and of depressed prices in the international market has been added lately the disease known as coffee tree rust or blight, which is one of the most serious problems for the nation's coffee growers. Indeed, the damage reportedly done by this disease in other countries of the American and African area, entails great losses of coffee owing to defoliation of the plant. The nations whose economy depends on coffee growing have been seriously affected, just like coffee growers in particular, because they neither are prepared to eradicate the plague nor to live with it. The

municipality of Palin was chosen for the aforesaid study, because it has small coffee growers having different levels of technology, this factor determining the number of quintals [46 kg measure] they obtain. For some, production is so low that it barely defrays the costs of wages. When there are profits, it is because the grower himself does his own field work.
[Text] [Guatemala City DIARIO EL GRAFICO in Spanish 22 Jun 83 p 35] 12448

CSO: 3248/985

HOW JLP, PNP VIEW RESULTS OF LATEST BY-ELECTION

Kingston THE DAILY GLEANER in English 13 Jun 83 p 1

[Text]

The Jamaica Labour Party and the Peoples National Party have come up with different interpretations of Thursday's by-election for the Rose Mount Division of the St. James Parish Council.

The JLP claimed that it had maintained its relative strength in the area and the PNP said the polls reflected an 11 per cent swing in its favour.

Former J.L.P. Councillor Glaister Duhaney, who was expelled by Mayor Shallman Scott for being absent for more than six consecutive meetings of the council, regained his seat by 1,340 votes to his opponent's Mr. Eric Vernon's 991 votes.

The J.L.P. in a press release said that the party has maintained its relative strength in the area as compared to the general elections of October 1980.

The J.L.P. said it would be misleading to compare the election results with the 1981 Parish Council elections as on that occasion following close on the heels of the 1980 election victory, the P.N.P. mounted no campaign and the J.L.P. enjoyed a virtual walkover.

The J.L.P. also referred to "numerous attempts at bogus voting" which were "thwarted only by the vigilance of J.L.P. personnel assigned to polling stations." One person was however arrested by the police and charged with impersonation, the released signed by party secretary, Mr. Bruce Golding said.

The People's National Party claimed that the preliminary returns revealed an 11 percent swing to the party. "If this result of a positive 11 percent swing had taken place in a general election the party would form the government with a comfortable majority," the release from general secretary, Dr. Paul Robertson, said.

The 1981 election results saw a voter turnout of 56.95 percent whereas Thursday's election attracted a 45 percent voter turnout.

VIOLENCE TIED TO POLITICS; LEFTIST GUERRILLAS RUMORED

Incidents in Clarendon

Kingston THE DAILY GLEANER in English 14 Jun 83 p 1

[Text]

Several people were wounded, seven houses damaged and ten people detained as political violence erupted in Race Track and Treadlight, two districts near here, over the weekend.

One of those injured, a Jamaica Labour Party supporter from May Pen identified only as "Hardware", was taken to the May Pen Hospital and later transferred to the Kingston Public Hospital by helicopter, reports say.

The violence broke out on Saturday and continued into Sunday, during which the warring factions used machetes, sticks, stones and bottles to attack each other, as well as property, reports say.

An uneasy calm was restored on Sunday afternoon after heavily-armed policemen moved into the area and detained ten people. Police were still patrolling the area today.

Five houses were badly damaged in Treadlight and two in Race Track. Several cases of looting also took place during the disturbances.

According to reports, the violence started on Saturday when men from outside invaded Race Track and attacked people and houses. Later, men from Race Track went to Treadlight and retaliated, wrecking houses and wounding villagers.

Guerilla Movement-Crime Links

Kingston THE DAILY GLEANER in English 21 Jun 83 p 3

[From the anonymous column "Listening Post," signed "The Listener"]

[Text] Paranoia or?

I hear that the police are increasingly becoming convinced that there is a radical leftist guerilla movement at work, and that the movement is linked to some of the recent crimes. It is believed that the purpose of the crimes - robberies and killings - is to strike terror as well as to gain money for the

coffers of the leftists. But who are they? The police won't say, but the news being bruited about is that they are not connected to any of the major parties. The Police have, for example, found documents with plans and charts for the kind of crimes we have been witnessing. Is this another political paranois (The CIA and the right destabilised us) in reverse? Or what? The Police have a duty to inform the public fully.

CSO: 3298/732

BRIEFS

VETERINARY PROJECT--An agreement for the provision of a Veterinary Services Project valued at J\$4.4 million to protect and maintain animal health in Jamaica, was signed on Wednesday, by the Hon. Dr. Percival Broderick, Minister of Agriculture (representing the Government of Jamaica) and Mr. Roger Booth (representing the European Economic Community (EEC) at the Ministry of Agriculture. Dr. Broderick said before the signing of the documents that the purpose of the project was to boost the Ministry's capability to deliver veterinary services, and so reduce the considerable losses in livestock, due to animal diseases. The Minister went on to say: "The project will be funded through a grant from the European Economic Community (EEC) of approximately J\$1.8m. The input of the Government of Jamaica will be \$2.6m, making a total project cost of J\$4.4m. Eleven small clinic/office complexes will be constructed in key livestock areas." [Excerpts] [Kingston THE DAILY GLEANER in English 11 Jun 83 p 8]

YOUTH GROUP PHASE-OUT--The phasing out of the Jamaica Youth Corps was confirmed over the weekend by Prime Minister Edward Seaga. In a statement Mr. Seaga said the intention is that the HEART Programme "will not only consolidate earlier fragmented approaches to youth training and employment, but will direct training to specific opportunities in the private sector, rather than the short-term, limited opportunities in a swollen public sector." The Prime Minister's statement on Saturday followed the publication on Friday of a report in the Gleaner of the phasing out of the JYC. [Excerpt] [Kingston THE DAILY GLEANER in English 13 Jun 83 pp 1, 16]

RAIN DAMAGE--Heavy rains since the beginning of this month have caused damages estimated at some \$2-million to land settlements, feeder roads as well as roads maintained by the Hanover Parish Council and the Ministry of Construction, in western Hanover. The Member of Parliament for the constituency, Dr. Horace Change, toured the area yesterday following which he sent telegrams to the Ministries of Local Government and Construction requesting funds immediately to carry out urgent repairs to a number of roads which have been impassable. Dr. Chang in his telegrams said that priority attention was needed for roads in such farming communities as Davis Cove, Dias, Middlesex to Chambers Pen, Haughton Tower, Mount Peace, and Clifton. [Kingston THE DAILY GLEANER in English 16 Jun 83 p 1]

DIFFERENCES IN ELECTION OF STEVEDORES UNION OFFICIALS

Managua BARRICADA in Spanish 3 Jun 83 pp 1, 5

[Article by special correspondent Lidia Hunter C.]

[Text] Corinto, Chinandega--After 2 weeks of boycotts and illegal meetings by a group of corrupt trade union leaders, yesterday this port city saw the lawful formation of the Stevedores Union's executive.

The election was supervised by officials of the Ministry of Labor and dozens of workers took part although a group of leaders who maintain connections with the CUS [United Trade Unions Federation] tried to keep them from doing so.

Some 400 stevedores met on Wednesday at the Corinto Movie Theater and negated 2 weeks of machinations.

Everything began with the need to elect two heads of the trade union to replace those who had fled the country with more than 40,000 cordobas--determined to date--to join counterrevolutionary groups.

An agreement was reached in the Ministry of Labor in Managua through which the executives and two comrades elected by the workers undertook to hold the balloting at a specific place and time.

However, these same executives, violating the agreement and relying on the support of a minority of members, held their illegal meeting and elected the union officials.

Critobal Astacio Rodriguez, local inspector of the Ministry of Labor in Corinto, told BARRICADA that legally only the election held at the Corinto Movie Theater was valid.

Violation of the Agreement

Rodriguez said that the meeting was supposed to have been held 2 weeks ago but in view of the fact that unaffiliated workers were not allowed to enter the balloting place, the elections were adjourned.

For that reason they met in Managua and the trade union executives of the stevedores as well as two representatives of the unaffiliated workers signed an agreement in which they stated that they agreed to enroll those who wished to belong to the trade union and that they could help the elections in this way.

However, on seeing the large number of companeros who participated at the meeting, Rodriguez said, the executives decided to withdraw, evidencing a high edgree of irresponsibility toward their own work comrades.

On being questioned on the same issue, comrade Fernando Arauz, official in charge of propaganda and political education of the FSLN [Sandinist National Liberation Front] district in Corinto, noted that the fundamental problems of the Stevedores Union is rooted in the trade union training of the former leaders. Even though the trade union is affiliated with the Sandinist Workers Federation, the ideology of the executives is tremendously mercenary, he observed.

At these levels the former leaders maintain good relations with imperialist organizations such as the International Transport Workers Federation (ITF) and in Nicaragua with the United Trade Unions Federation (CUS). Furthermore, he said, they hold periodic meetings with the latter. These connections include two former executives who fled the country after stealing a large amount of money from the trade union and who have now joined the counterrevolutionaries such as Zacarias Hernandez and Isabel Somarriba.

The Stevedores Union's executives have drawn up lists of demands. But the latter cannot be met because of the grave economic situation with our revolution is experiencing, Fernando Arauz added.

Real Background

It is for that reason, he said, that the union executives hold that the Sandinist Workers Federation does not meet their interests and that the revolution has done nothing for them.

On the other hand, politically the union is losing perstige. Two executives stole over 40,000 cordobas and joined the opposition, other executives have threatened to halt work, including work by union members, and still others in the same executive committee have already begun to take steps to join the CUS.

In broad outline, this is the situation of the stevedores who, with the triumph of the revolution, have seen "their revenues" from at times illegal operations drop.

In the port of Corinto, too, drug trafficking, thefts, prostitution, and other crimes which were being promoted by the Samoja regime in the past have been cut.

Criticism of the Ministry of Labor

Elsewhere, some trade union executives approached by BARRICADA conceded that the situation was fairly difficult and that there is not much determination on the part of the Ministry of Labor to solve the problem.

Luis Felipe Duarte, union secretary of culture, noted that those executives did not participate in the elections at the Corinto Movie Theater because there were many individuals who were not members of the union even though they are workers of the Port Authority of Corinto.

We have been criticized, he noted, for being bureaucratic in our membership formalities but such are the provisions of our bylaws and we respect them and will continue to do so.

What the others are trying to do is to take the reins of the trade union out of our hands [he said], which we already know. For that reason we have to weigh to whom we can grant membership.

In the Open

On his part, Alejandro Arnuero, the new president elected at the illegal meeting, said that the CST has not given the stevedores support considering that the demands they have addressed to the Ministry of Labor have not been met.

On asking him about affiliation with the CUS we discovered that this is his true intention, [but] "legally it is not a fact; rather, what is happening is that we have not yet had time to hold a meeting though the workers have agreed on it."

Meanwhile, Manuel Esquivel, union treasurer, gave assurances that he supported the position of the other executives, who said that the only thing that they seek is merely to solve labor problems.

2662

CSO: 3248/974

UNIONS AFFILIATED TO CTN ABANDONING ORGANIZATION

Only 19 Left

Managua BARRICADA in Spanish 6 Jun 83 p 1

[Text] Of the 98 unions included in the CTN [Federation of Nicaraguan Workers] in the 6 months following the revolutionary triumph, the CTN now has only 19 unions in the entire country, according to reliable data obtained by BARRICADA.

Of these 19 unions 10 recognize as legitimate the CTN of Antonio Jarquin while nine follow the leadership of Carlos Huembes, characterized by his total servility to COSEP [Higher Council of Private Enterprise] and the coordinating committee of parties of the Right.

However, the basic causes of the weak showing of the CTN do not seem to stem merely from its internal division but rather from the political awareness achieved by the workers leading them to relinquish reformist and employer-oriented groups for which the labor movement constantly provides less room.

The data collected indicate that prior to the triumph of the revolution the CTN included 46 unions and that thanks to the freedom of organization signified by the popular victory it added another 52 unions to its ranks.

Among the most important are those found in the hospital sector, which came to include 26 unions and which, following the arduous ideological struggle by the rank and file, were gradually abandoned by the CTN until FETSALUD [Federation of Health Workers] finally acquired total control of the sector under a revolutionary line.

More Information

Managua BARRICADA in Spanish 6 Jun 83 p 5

[Text] Of the 98 unions affiliated with the CTN in early 1980, 27 of them now belong to FETSALUD, 23 to the CST [Sandinist Workers Federation], while another similar bloc represents dissolved unions which were disbanded. Two are without affiliation, one is in the CUS [United Trade Unions]

Federation] (the gas station attendants of Chinandega), two are in the ATC [Agricultural Workers Association] (tobacco workers in Esteli and Jalapa), and in other unions such as that of the Corona oil tank farm many of the workers do not follow the CTN leadership.

The above data represent overwhelming evidence of the political-ideological progress made by the Nicaraguan working class and of the political bankruptcy among the reformist and employers' groups in the workers' movement.

Recently the UNIMAR and at La Fosforera [match-making plant] where the workers were affiliated with the CTN, the political disbanding of this organization was decreed when their trade union meetings decided to recognize the exclusive leadership of the CST.

Meanwhile, among workers from the Aceitera Corona which traditionally has been the principal trade union bastion of the CTN, there is a spirited controversy now between one group of workers which is pushing for affiliation with the CST and a greater role for the people's militias, and another which is trying to maintain its CTN affiliation.

Another organization where the CTN leadership is beginning to be closely questioned for its defeatist attitudes vis-a-vis the bourgeoisie is the Nabisco Cristal biscuit plant.

2662

CSO: 3248/974

INCREASE IN WORK OF PORT OF CORINTO REPORTED

Managua EL NUEVO DIARIO in Spanish 20 May 83 p 4

[Article by Felix Thomas]

[Text] Corinto--Never in the history of the port of Corinto has there been so much work as is now evident with the arrival of a large number of ships in 1983.

To date, 150 vessels of different flags have called in Corinto and as a result have provided work to thousands of workers in the loading and unloading of various types of cargo, imported and exported into and from Nicaragua from and to world markets.

During 1983 exports from our country have increased by 100 percent involving various items: Coffee, cotton, meat, molasses, sugar, bananas, and others.

Regarding imports, these have also increased to the point that right now four vessels are docked at the pier of Corinto, unloading all types of goods originating from countries friendly to Nicaragua with which we have negotiated various loans and through which our economy and therefore the revolutionary process have strengthened.

Right now there is being unloaded in Corinto a large volume of equipment and heavy vehicles that will serve for the construction of homes and roads. They are intended for MINVAH [Ministry of Housing] and INRA [National Institute for Agrarian Reform].

Also being unloaded is 60,000 tons of urea donated by the Soviet Union to the Nicaraguan Government for the preparation and improvement of crops.

With the large number of ships in this port, it has been necessary to use the liquid cargo, banana, and container piers for unloading the large volume of freight.

In face of this situation the Port Authority has had to use the labor of 200 new workers as stevedores.

Other ships are anchored in the bay of Corinto, waiting to dock at the piers to unload additional cargo.

Orlando Fuentes, second in command of the operations department of the Port of Corinto, said that this year the handling of at least 1 million tons is projected.

This unusual movement has also led to the fact that hundreds of Corinto workers have guaranteed assignments for a long time.

2662

CSO: 3248/974

GOVERNMENT INVESTING \$43 MILLION IN NEW ENTERPRISES

Managua EL NUEVO DIARIO in Spanish 3 Jun 83 p 12

[Text] The government is investing about \$43 million (430 million cordobas) in the creation of six manufacturing enterprises, the production of which will be substituted for raw materials that are now imported.

Among other necessary products, Nicaragua imports, at a cost of approximately \$6 million a year, cardboard articles, industrial salt, textiles and sterile containers.

The new enterprises, the majority of which will begin production in 1984, have as their objective the creation of a domestic industry. Loans from France, West Germany, socialist countries and some Latin American nations have made their establishment possible.

In Leon department, 90 kilometers west of the capital, preparations are already under way for the installation of the "Cartonica" factory; this will meet the demand for cardboard packing boxes, the importation of which costs more than \$4 million a year. Initial production will be 24 million meters of cardboard.

Similarly, the salt factory will make it possible to save on imports of that product--some 35,000 tons--and, moreover, will eventually become an exporter. The factory will use domestic raw material.

For its part, the factory making knitted textiles will help satisfy the demand for basic necessities in Nicaragua. Initially, the industry will produce 3.3 million yards and approximately 400,000 pairs of socks.

The industrial plan envisages the creation of an ice plant, which is expected to produce 24,000 tons a year.

Finally, the container industry will allow for the export of perishable products--fruits and greens among others--by providing a better system for their preservation.

12336

CSO: 3248/977

PROFESSOR CALLS ON PEOPLE TO JOIN ARDE'S STRUGGLE

San Pedro Sula LA PRENSA in Spanish 11 Jun 83 p 9

[Text] This is a message from William D. Mejia Vargas, teacher of physics and mathematics, former guerrilla and former chief of the Managua reserve battalions. I am addressing you, my people, my beloved Nicaraguans, because I want to make you understand that, in our beloved Nicaragua, political struggle is no longer sufficient and that the only hope we Nicaraguans have is ARDE, the Revolutionary Democratic Alliance led by Commander Eden Pastora Gomez, who is an honest man and always said that, if the people's revolution was betrayed, he would be the first to take up the rifle, as he has in fact done. We true Nicaraguans must follow Commander Zero's example.

The same goes for Alfonso Robelo C., who has demonstrated his integrity in every way and has refused to be a puppet of the government of the nine thieves. Also Brooklin Rivera, an honest man, a leader from the south, from the Misurasata.

There men are our leaders, who have given every true Nicaraguan a hope, which is ARDE.

I call upon my teaching colleagues to join ARDE, secretly if possible, as it is our only hope, and to show that the hour of our real salvation--which is not the same as that of which ANDEN, the party union that is a traitor to the teaching profession, speaks--has arrived. Do not be tools of the foreign pseudo-advisors, whose objective, as you well know, is to win you over through brainwashing.

I call upon the private schools not to let themselves be used by the pseudo-directors of the circuits, who are themselves directed and oppressed by the nine thieves. I call upon all the oppressed private schools and the nuns and priests who are responsible for running them--to whose oppression I can testify--to support ARDE.

I call upon all students in general to disavow the so-called new education, which is alienating, and not to allow themselves to become tools of the so-called 19 July Sandinist Youth, whose pseudo-advisors engage in brainwashing and, as the students well know, pressure them to join the said association of lazy and bad students. Therefore, true students should try

to get out from under the oppressive yoke of the nine stateless traitors and join ARDE.

I call upon all fathers in general not to allow their sons to be forced to join the aptly-named Sandinist association of idlers, delinquents, vagabonds, etc. Do not allow them to be recruited into the misnamed Sandinist People's Militia (MPS) and sent to the front to be cannon fodder, while your women are defiled by the Piricuacos [derogatory term for Sandinist soldier] and you as heads of households cannot even say what you think, without being termed reactionaries. The time has come for you to give whatever you can, no matter how small, in support of ARDE.

I call upon farmers, workers, professional people, merchants, industrialists and the general populace to recognize that the time has come to achieve true freedom, to install true democracy. We have to back our principal leaders, Commander Eden Pastora, Alfonso Robelo C. and Brooklin Rivera, and support our group, ARDE. Our leaders are fighting for freedom of the press, radio, organization, trade and religion, i.e., for true democracy.

I call upon the members of the army, militia, reserve battalions, police and military organizations to rebel and desert, if possible with their equipment. Do not abuse our beloved people for whom you once fought. It is time to recognize as your leader Eden Pastora Gomez, the only true commander, the only one worthy to call himself commander, who is not like the nine thieves and other psuedo-leaders, who, when they were supposed to be fighting, spent their days safely, drinking liquor and wandering about neighboring countries, while the people took to the streets and died to overthrow the Somoza dictatorship.

It remains only for me to call upon the Honduran military forces, Government and brother people of Honduras to support the forces of ARDE, directed by Commander Eden Pastora. The Nicaraguan people support and follow our hard struggle, and we want the support of our Central American brothers as well. As of today, I am joining ARDE's forces to fight on behalf of my beloved people, who want true democracy.

Long live ARDE, long live Eden Pastora, long live Alfonso Robelo, long live Brooklin Rivera! With Eden Pastora in battle always! On behalf of an unfortunate people, ARDE struggles for democracy.

William Daniel Mejia Vargas

12336
CSO: 3248/977

POLICE CHIEF DESCRIBES ILLEGAL TRAFFIC IN CURRENCIES

Managua BARRICADA in Spanish 2 Jun 83 p 5

[Text] Guerrilla Commander Walter Ferrety, national chief of the Sandinist Police, declared yesterday that counterrevolutionary bands and organizations, through Nicaraguan money sent abroad, have bought large quantities of cordobas and brought them secretly and legally into Nicaragua from other countries.

He indicated that this system of corruption and illegal trafficking in foreign exchange and cordobas abroad has artificially simulated shortages of basic products and, in addition, has promoted acts of economic aggression, such as a reduction in the quota of sugar that Nicaragua used to sell to the United States and pressures on international financial institutions not to grant loans for the development of our country.

How the Trafficking in Dollars Worked

According to the analysis made by the national chief of the Sandinist Police, under the Somoza dictatorship, there were 20 moneychangers. Following the revolutionary victory, 300 moneychangers were in operation, an increase that occurred not only to facilitate currency exchanges but also to assist in the financing, preparation and export of precious metals in every form.

It also happened that many industrialists who were hostile to the revolutionary process exported machinery and other means of production under the pretext of renovation or of decisions of the board of directors. "They inflated costs, exported foreign exchange to pay for contracts abroad and effected illegal transactions under a cloak of legality," Commander Ferrety remarked.

Later, additional mechanisms were developed through the submission of false invoices to the Chamber of Compensation. False invoices were found, sealed and stamped, with documents for imports paid for out of the importer's own funds, and these were used subsequently to claim reimbursement; as a result, checks were issued in the importer's name and negotiated on the black market.

Thus, blows were struck against the national economy through the Chamber of Compensation, since large flights of foreign exchange resulted.

Another means was the use of contraband mechanisms in the export of overvalued or undervalued goods, whether paid for out of private or official funds. The surpluses produced entered the black market.

Commander Ferrety asserted that the damage is incalculable; all these illegal foreign exchange transactions together involve sums in the millions of dollars.

The joint efforts of the Sandinist Police and Central Bank of Nicaragua succeeded in reducing the number of coyotes from 300 to 98. With adoption of the Exchange Law of 9 September 1981, the number of exchange offices operating in the parallel market was reduced to 7.

Nevertheless, incidents of complicity in the foreign exchange black market continued to be found. A good number of the coyotes then moved to Costa Rica, where they established their base of operations. But those who remained in Nicaragua supported the illegal trafficking in foreign exchange with the intention of creating inflation in the country.

Smuggling by Couriers

Another way of exporting foreign exchange, Commander Ferrety said, was through smuggling by "ants," i.e., couriers carrying the goods on their backs. Merchants paid the transportation costs of such persons with the objective of having the latter smuggle goods into the country for them.

This trade was conducted by peddlers who exported less than they imported. They had a residue of credits amounting to more than 600,000 dollars, which they did not negotiate through the Central Bank but, rather, introduced into the black market.

Nor is this all. The exchange offices also exploited the people. This happened when the exchange offices issued checks on foreign banks that they then sold, outside the legally established framework, to Nicaraguan citizens.

But they maintained contact with coyotes abroad, who would cancel the operation, so that, when the client tried to get his money from the money-changer, the latter would reply that there were problems with the foreign accounts or that the respondent had already used the money to carry out another transaction.

Nevertheless, the money that the client paid for the check had been changed and they swindled the people with whom they did business.

The moneychangers also bought from themselves and processed through the Central Bank sums of more than 500 dollars that they reported as family funds but did not carry on their books, made purchases on behalf of nonexistent persons and listed purchases and sales of foreign exchange under false names.

The chief of the Sandinist Police indicated that they made use of intermediaries to resell foreign exchange that later entered the country in the form of the foreign currency in which they were most interested or exported large quantities of dollars, especially to Costa Rica and Panama.

In infamous alliance with the authorized moneychangers, the direct importers channeled through commercial banks authorizations for goods bought with their own funds and, without importing anything, negotiated exchange for the funds up to the total amount previously requested.

So it was that, in reconciling purchases and sales, a deficit balance was found in the Central Bank's accounts, the product of the supposed imports.

The Special Delivery System

As an example, Commander Ferrety announced the discovery of a "merchant" who never imported anything but had in his possession 9,000 dollars in checks, 5,170 dollars in cash, 302 quetzals, 3 lempiras and 11,250 cordobas. Furthermore, though he was not a peddler, he had a peddler's license.

Another Nicaraguan, he indicated, had in his possession, in a truck that belonged to him, 490,000 Costa Rican colons, the result of having exchanged in Costa Rica the sum of 500,000 cordobas.

At Augusto C. Sandina Airport, discovery was made of a "special delivery" letter, i.e., a letter of the kind used to send messages abroad. This one contained 18,000 dollars in cash and checks.

Commander Ferrety pointed out that, when controls were established in 1982, it was found that, as a result of the criminal forms of trafficking in foreign exchange, there had been a flight of capital amounting to 112.9 million dollars.

This is why, he noted, the Sandinist Police are now taking measures to prevent such crimes and is coordinating its efforts with the Customs Administration to ensure compliance with revolutionary laws for the control of the purchase and sale of foreign exchange.

12336

CSO: 3248/977

CORRESPONDENT DESCRIBES FIGHTING ON NORTHERN BORDER

Barricada Reporter Interviewed

Havana GRANMA WEEKLY REVIEW in English 19 Jun 83 p 12

[Article by Santiago Cardosa Arias]

[Text]

● A SILENT eight-day march through 40 kilometers of virgin forest and three days of heavy fighting were part of a complex military operation by regular and reserve forces of the Sandinista People's Army (EPS). The operation was part of the Nicaraguan people's struggle in the war imposed on them by the Reagan administration.

The scene of the action, in which Honduran C-47 planes, UH-1H-Bell gunships, 106.7mm and 75mm cannon and other weapons were employed, was on Nicaraguan territory at San Andrés de Bocay, 320 kilometers north of Managua and but a few meters from the Nicaraguan-Honduran border. The town, inhabited by Miskito and Sumo Indians, had been evacuated by the Nicaraguan government in February to prevent the continuing murder and intimidation of the people by the counterrevolutionaries.

A Sandinista border patrol was also removed from the area to avoid conflict and provocation on the part of Honduran soldiers stationed just a few meters away on the opposite banks of the Coco and Bocay Rivers, the natural borders between the two countries.

Former Somoza guards, with the help of Honduran soldiers, had then moved into houses in San Andrés de Bocay and taken the border patrol post and a small landing strip.

San Andrés de Bocay became the supply center and first stage rear base for a mass invasion of Nicaragua. The objective of the

EPS operation was to drive the counterrevolutionaries from the area.

Guillermo Cortés, a 26-year-old journalist on the staff of the daily *Barricada*, official organ of the Sandinista National Liberation Front (FSLN), was sent to cover the operation.

Still recovering from the fatigue of the operation, during which he lost considerable weight, Guillermo Cortés visited Cuba last week to do a number of features and interviews related to the attack on the Moncada Garrison, whose 30th anniversary is commemorated this year.

Granma Weekly Review took the opportunity to interview him about the San Andrés de Bocay military operation.

The story of this Nicaraguan journalist, who has spent two months in the mountains and jungles of his country, attests to the abundant modern weapons the U.S. government and its Central Intelligence Agency have put in the hands of the counterrevolutionary former Somoza guards and the open intervention of the Honduran army in Nicaragua.

Before the onset of war, Guillermo Cortés covered the Council of State of Nicaragua and wrote articles of economic and social interest.

The war has also kept him from concluding his last two semesters to graduate as a professional journalist at the University of Managua.

Details of Operation

Havana GRANMA WEEKLY REVIEW in English 19 Jun 83 p 12

[Text]



LET ME explain that San Andrés de Bocay was a peaceful backwater of a town with poor homes. Its nearest town, San José de Bocay, is 15 days' journey on foot and is 160 kilometers to the north of Jinotega, one of the departments into which Nicaragua is divided. From San Andrés you see Honduras, the movement of soldiers, everything. . . . Only the Coco River separates us.

Right there, next to a small landing strip, was the supply center for the first stage of the Somocista invasion of Nicaragua, under a counterrevolutionary by the name of "Policía López" [López the Cop]. During the course of the operation, this was the rear base of six task forces [the name given to groups of former Somocista guards who penetrated Nicaraguan territory] which have been now routed by our troops and driven back into Honduras.

I witnessed the takeover of the center by the Sandinista People's Army. The arms found there, the landing strip and everything else clearly showed what its objective was. . . . A response was needed because all this was happening on Nicaraguan territory.

We celebrated International Workers' Day there in the jungle in a singular way: noiselessly, guns at the ready, to the sound of our heartbeats. That was the very day our group of journalists joined the EPS operation. The journalists were Bayardo and Roberto, from ANN [Nueva Nicaragua Agency]; Róger and Mariano, of SSTV [the Sandinista Television Network]; Carlos, a Spaniard with a Nicaraguan soul; Rudolf Wedel, a photographer from Barricada; and myself.

THE SILENT MARCH

As part of the operation in which the surprise factor was very important, our forces were flown to the shores of the Amaka River, 24 kilometers in a straight line from San Andrés de Bocay. Other forces went overland to the town of Amaka, where the remains of a task force led by ex-EEBI [Basic Infantry Training School] "Renato," were located. That's to say we moved in, in two directions. Two pincers to pursue the same goal: to strike a devastating blow at the enemy.

The mission of the pilots was to ensure the greatest possible troop mobilization. The first flight was the most difficult, because they didn't know what was below, if the ground had been mined, or what was in store. . . . At first, they didn't even know where to land; they had to find a clearing in the jungle. It was not just a matter of coming down but also of going back up again without hitting a rock or a tree with the wing or being pulled by the wind.

On the 3rd, we cleared our way through the jungle with machetes. It was just before 8:00 a.m. and, as a soldier named Pedro José Rodríguez put it, only new noises could be heard; new noises in that deserted spot where movement was not so much exhausting as tedious. Tedious because of the branches, tree trunks, undergrowth, ticks, leeches and a host of blood-sucking insects that got at your hands, feet and your body all over.

In the vanguard were the sappers, most of them from the reserve forces, silently clearing the way with machetes. Behind them, San Andrés-bound, came the Irregular Struggle Battalion and reserves from different neighborhoods of Managua and other cities.

So we spent eight days and eight nights on this 40-kilometer march, steering away from the easiest and most direct route, avoiding all spots where our forces might be detected. The jungle is like a huge cauliflower; that is what it looked like to us from the air. Only tops of trees. On the ground at night, all we could see was bits of the sky and sometimes a lone star that would filter down through the branches. Each morning our forces would look like a bunch of tamales wrapped in their green capes.

The most difficult thing about the march was having to carry the heavy tubes for the 82mm artillery and other weapons. But they were soldiers and reservists who had been hardened, like 56-year-old arthritic Rafael Acosta Lazo, who carried the base for a mortar weighing who knows how many pounds and never wanted any help.

Another problem was the lack of food. It was a great occasion when after several days we ate beef from a calf we came upon in San Andrés.

ENEMY TAKEN BY SURPRISE

After our silent march in the early hours of Wednesday, May 11, the mortars were emplaced on a hill barely 1000 meters from the counterrevolutionary camp in San Andrés de Bocay and 700 meters from the landing strip. The infantry also silently moved into position, surrounding the place.

At 7:50 a.m. we opened fire with the 82mm mortars. A Honduran C-47 on the runway quickly took off. . . . It tried to locate our artillery position, flying further into Nicaragua firing two rockets. We countered with shell fire, but the pilot turned back into Honduras.

The previous afternoon our artillery scouts had followed all their movements. We saw the counterrevolutionaries bathing in the Bocay and

Coco Rivers, some in underwear, others naked. We also noted the arrival of a launch bringing supplies and others drinking liquor.

The entire operation, but especially the way in which we approached the enemy, was the most silent campaign I know of. Imagine, dozens of us, secretly moving through the jungle with heavy weapons, and the enemy was completely taken by surprise.

That day the Somocistas were given the surprise of their lives. Suddenly mortar and rifle fire rained on them from nowhere. There was utter panic. One group that was training on the runway without shirts ran towards a clump of trees. Others dived into the river and swam across to Honduras. Meanwhile, we kept up fire. This was the start of three days of heavy fighting.

Since they were convinced the EPS wouldn't pursue them into Honduran territory, the Somocista guards resisted for a day. When there was no letup in our fire, they crossed to the other side, most of them fleeing deep into Honduras, to be replaced by uniformed Honduran soldiers.

INVOLVEMENT OF HONDURAN SOLDIERS

Then came overt Honduran intervention to aid the Somocistas and only the sense of responsibility of the EPS commanders and soldiers kept the provocation from leading to a confrontation between two armies.

A C-47 and two UH-1H-Bell gunships camouflaged but bearing the Honduran flag, flew into our air space to strafe and fire on our troops.

Some Somocistas were still left in the border patrol post, and the Hondurans kept trying to land on the runway to remove the dead and wounded and give them supplies and ammunition. From the spot where I was stationed, I saw our infantry, some 200 meters from the runway and the banks of the Bocay River, rain fire and foil four landing attempts.

After the C-47 fired two rockets, the Somocistas fired 81mm mortars but they fired at random.

RENATO CALLING CHICLE

During the three-day encounter, on more than

one occasion we were able to monitor on radio the counterrevolutionaries' communications.

On Thursday the 12th, amidst .50-caliber machine-gun and other fire, we monitored an enemy transmission in which a Somocista spoke to a leader who he called "Señor" [Sir]. Virtually in tears he shouted: "Señor, Señor, everybody has left me alone here. I hear movements behind me, I think they are coming..." It was fear, because the only thing behind him was Honduras, but he was sure it was our comrades.

We monitored another revealing conversation between "Renato" and "Chicle," two Somocista commanders: "Chicle calling Renato, Chicle calling Renato... Renato Over. Yes, Yes, Sir. The place is screwed. Casualties? About 70. A bit back I had reports of six killed in one position, 11 in another..." Finally, "Chicle" told "Renato": "I will report this situation to the central command in Tegucigalpa..."

That Thursday afternoon, heavy mortar fire and large-scale use of LAW missiles started on the Honduran side. By then the Somocistas were being replaced by regular forces of the Honduran army.

The head of the Sandinista forces ordered a pullback from the border to avoid an international incident and open war with Honduras. The counterrevolutionaries took advantage of this that night to remove many of their dead and wounded. They fired 10-15 flares and about ten mortar shells.

The operation of the EPS succeeded in its objective. By the third day of fighting, the Somocistas had fled into Honduras and our forces reached San Andrés de Bocay. Among other things, our forces captured a magazine called *Comandos*, put out by the so-called Nicaraguan Democratic Front, containing counterrevolutionary and religious propaganda.

Sandinista fighters Francisco Buitrago, Jorge Navarro, Modesto Duarte, Mauricio Córdova, Faustino Ruiz and Iván Sánchez died heroically in the San Andrés de Bocay operation. But for us they live on.

The commander of the whole operation — including that which moved in through Amaka — called it "a devastating blow to the enemy."

And that is what it was.

SOCIAL SCIENTIST DISCUSSES MILITARY REFORM, SHINING PATH

Lima EL OBSERVADOR in Spanish 12 Jun 83 Revista de la Semana Supplement pp IV-V

[Interview with Julio Cotler by Federico de Cardenas and Peter Elmore; date and place not given]

[Text] Julio Cotler, a researcher at the Peruvian Studies Institute, where he is in charge of political studies, is also one of our most outstanding social scientists and the author of a basic work entitled "Classes, State and Nation in Peru," as well as other publications. He teaches in San Marcos and is about to publish a book on the state and society under the military regime, which on one occasion expelled him from the country. For some time we have wanted to talk with him about his view of what is happening in Peru, and although his reservations about interviews are well-known, we believed it worthwhile overcoming them in order to obtain his clearheaded analysis of the political situation.

Velasco and the Reform Movement

[Question] You were always very critical of Velasco, and, more generally, of the military regime as a whole. In the introduction to "Classes, State and Nation in Peru," you even announced publication of a volume dedicated to the study of the relationship between the state and society in the last decade. Do you maintain that position or have you changed it? What is the status of your book?

[Answer] I will begin with the second question. The book is practically finished and I hope to be able to send it to press in about 3 months. As to the first question, I would say I maintain almost the same position. The problem of the Velasco era was one of participation. All of that business about "no communism and no capitalism" and a "self-administering society" was always untenable ideological rhetoric which no one could swallow. What was important here was the nationalist and profoundly reformist nature of the government. When I spoke of capitalist modernization, I was speaking of something which was really a process of very serious change in a society such as ours. The molds might be those of state capitalism, but a basic transformation was involved.

The discussion lay, from my viewpoint, in the authoritarian and manipulative nature of the regime. All of the weakness of the Velasco regime began with this. I recall having written that in "Democracy and National Integration," and then when I asked General Tantalean what in his view the worst error of the regime had been, his answer was that "the revolution was afraid of the people." And this is true: one need seek no further. When I am told that it was the economic failure, I do not believe it. When Isabelita was ousted from the government, Argentina had an inflation rate of 500 percent. Today this country is holding elections and the Peronists will win again. And it is always the same thing: the people forget that the economic problems are political, and politics means trying to establish coalitions, something Velasco only succeeded in doing at the highest military and bureaucratic leadership level: the people were afraid of him.

Now then, up to what point could a military government--which is not the same thing as a government headed by a military figure--a government which was of the armed forces and responsible to them--to what extent could it do anything else? At the outset, this government excluded civilian and popular participation in it.

[Question] You told us a short time ago that rather than a government of the armed forces, this was a government of the intelligence service.

[Answer] Obviously, the government of a small elite group. It began as a government of the intelligence service, but as there was ever increasing crisis, it had to proceed to expand its social base of support within the armed forces. The people forget that when the coup occurred, we went 4 days without a government and that only Velasco's threats to the navy and the air force, which he blackmailed with the threat of civil war, caused them to yield. His was a government which had a very narrow base of legitimacy, and he believed that with the reforms, the people would applaud it and that they could be calmed by facades, which was more or less what he conceived of as civil participation.

Do you recall the platforms from which Velasco presided over parades and public ceremonies? In my view, it was no accident that this military leadership was raised 20 meters above the people. And there was always this ambivalence of all the forms of populism claiming "to be with the masses," but without their participation. It suffices to contemplate certain phrases, for example that of Arrisueno, when he said that he had to account for his administration to no one except to the armed forces.

[Question] Would you call the military attempt at reform a total failure? Don't you believe that at some future time it might be revived?

[Answer] I do not have the slightest doubt that the Velasco symbol might at some future time be resurrected by someone. The nationalist element is present in the Peruvian process and it is not exhausted yet. I am speaking of a government attempting to reconcile the classes, and to incorporate some type of popular interests or feelings. A national state which the people perceive as the state of all--whether or not this would be a fiction is something else

again--but for the present, the scenario is as follows: what the people want is a government which takes them into account.

Up to what point this kind of reform can be achieved today with a classic economic policy is something else, because nationalism also means a democratization in other fields--politics, culture, etc. And I believe that, despite the fear of the military regime, these sectors have changed very greatly. The way in which popular culture is flooding society via a number of channels is a fact. It is probable that Velasco accelerated this change, but it was going to happen in any case, because ours was a paralyzed society, and it was not possible for anyone to come along and support this paralysis.

[Question] Do you believe that this nationalist reformism remains in the armed forces, and that it can, as some nostalgic for the Velasco era claim, reemerge?

[Answer] I have no idea what is happening in the armed forces. I imagine that support of Velasco's concepts has not disappeared entirely, but I do not know what its strength might be or to what point those who were captains and majors then and are generals or colonels today recall those days with any kind of yearning, not only in terms of military prestige but also the use of power in leadership positions. I recall that in the Velasco era, one saw as many military uniforms in the street as one did priests' cassocks in the Franco era. And then suddenly it was quite the contrary, and there were even some armed establishments which prohibited their personnel from wearing their uniforms into the streets. And the fact is we had come full circle: from legitimacy we had moved to illegitimacy and the uniform was the symbol of it.

A Nationalist Scenario

[Question] Don't you believe that nationalist reformism could be taken up again by the APRA [American Revolutionary Popular Alliance], which has already asserted that Velasco had completed a part of his program?

[Answer] Obviously. The irony in this country is that the two main nationalist forces are the APRA and the army, and that they have fought. It cannot be excluded that an agreement might be reached now that the commander in chief of the APRA sector is gone, but this is speculation. What is important is that I see a very clear nationalist scenario around the corner: the industrialists are urging defense of their products and the CERTEX [Export Certificates], while the workers are asking for safeguards for their wages and the abandonment of imports, the intellectuals are tired of cultural dependents, etc. Who can be opposed? Mr Rodriguez Pastor and Wells Fargo? But it is they who are getting it all!

[Question] A speedy conclusion to what you say might be that this government is excessive: it is the contrary of a nationalist regime, and it is making our dependence more acute.

[Answer] But this is why we have the social crisis we are experiencing. The people vote for Belaunde because he appears to be a democratic figure, which

means he is prepared to reach agreement with all, and, to a certain extent, to give satisfaction to all. It is believed that he will preside over a great class reconciliation and that he will give satisfaction to the majority. Villanueva is the sectarian and Badoya the representative of a wealthy minority. Everyone votes for him, even the left wing, with its theory of the "lesser evil." But it happens that along with Belaunde, Ulloa and his group come in, and then Rodriguez Pastor, to pursue an economic policy which makes even a minimum of conciliation impossible, such that Velasco's relative process of democratization ceases to seem so inadequate.

[Question] But along with this nationalist component you mention on the political scene, is there not also a conservative component? Many voters elected Belaunde because they preferred a known evil...

[Answer] Of course. There is a profound conservative component, deriving above all from those strata which find themselves in archaic situations. This is why Haya de la Torre defined Peru as "a living museum," and Mariategui wrote that "everything was muddy" in Peru. Here clearly defined class limits are seldom seen, and the vote for authoritarianism or the approval of force is also popular.

The Shining Path

[Question] Doesn't this fascination with or approval of force sometimes work in favor of the Sendero (Shining Path)?

[Answer] Let us talk about the Shining Path. I know a fisherman who, speaking of that organization, says that there is too much hunger and poverty in Peru, and that they are doing the only thing which remains to be done. If he is told that the Shining Path kills peasants and teachers, he answers: "And are you going to believe Belaunde?" When credibility is lost in this fashion, even the truth comes to be suspect. And moreover, who can believe that 30 or 40 Shining Path members are being killed every day? This is what General Cisneros says: "They are killing 60 individuals and of these three will be Shining Path members, but the police will say that they all were."

As a country, we have very little organizational tradition. On all levels, our institutions are weak and precarious, and those which exist are archaic and patronage-oriented. This is what makes our democracy such a threatened thing, and it could not be otherwise when it doubts its own institutions and urges the death penalty as the solution to terrorism, ignoring the fact that there are democratic methods of combatting it.

[Question] Pursuing your reasoning, the presence of a terrorist group which is so organized, vertical and effective in its actions, while at the same time so ghostly--in the sense that it is many places but does not show its face--can alter the political scene substantially. To what extent does this affect the left wing itself?

[Answer] The left wing has suffered from the very beginning from schizophrenia. It is against armed struggle, but it continues to be the prisoner

of its myths, as we saw a short time ago with Heraud. The left will have to define itself, because a large part of its problem of paralysis lies in the problem of reconciling deeds with words and reorganizing its guidelines when its great guides are no longer here. What the Shining Path does is to rally the luminous beacons of the leftist mystique and gather in all that is absolute thought. On the other hand, the left wing does not know if it is becoming absolutized or relativized, while what it has to do is nationalize itself. As it is not doing this, the result is a crisis from which it does not know how to extricate itself.

On the other hand, the Shining Path offers a concept, although I believe it is excessive to treat it as such. They offer a catechism, a catechism made to measure for the archaic country we have inherited, in which all judgments are absolute and priests and prophets are needed. It is the structure of colonial, catholic and medieval thinking which we have inherited, to which the Shining Path adds desperation, hunger, a lack of alternatives and the fact that they are young, coming for the most part from the most archaic zones, those which have suffered a frightening social collapse.

The vertical and compartmentalizing organization of the Shining Path, under the domination of an all-powerful leader and founder, could be compared in an analogy which is not so far-fetched with the APRA of the 1930s, were it not for the intervention of yet another factor: the fact that it offers participation to a native peasantry which by definition is prenational, in other words, is not Peruvian. And this is not because these people were born abroad, but because they are not integrated in what we coastal citizens call the nation. The Uchuraccay affair demonstrates this clearly. Here another kind of legislation, other customs, which have resisted the penetration of the state, prevail. The Shining Path relies on these peasants, whose last generation has suffered a collapse, and on the intellectuals, both those who have left Ayacucho and the peasant and Maoist left, all of whom are fed up with the subtleties of traditional Marxism. What they wanted was a clear, precise and direct line, something in which they could believe absolutely.

One must also remember that Maoism did not begin with the Shining Path, but dates way back. And we must consider why Bolivia, Ecuador and Peru are the only countries in Latin America in which Maoism has captured the universities. The Shining Path is the only one of these groups in Peru to opt for armed struggle as the path to power, because they were told to do so by Comrade Gonzalo and President Mao.

[Question] When the Shining Path attacks towers, tractors, factories, it is very obvious that it chooses as its targets the symbols of the modernization of the state.

[Answer] That is the case. I want to make it clear that I am not defending them. I am profoundly opposed to what seems to me the most authoritarian factor in Peruvian society. And authoritarianism only leads to more authoritarianism: what follows them is worse.

[Question] You have developed for us the hypothesis of a nationalist upsurge to replace the situation in which we live, but there is also another possibility: a Southern Cone-style coup.

[Answer] Naturally. There is not just one scenario, but several which are developing. Argentina is now established in Ayacucho, and we must not close our eyes to it. It would take very little to have the totality of the Argentine spectre there, and this must be denounced, because when one has learned to torture and kill with impunity he wants to continue doing that. Yes, Argentina offers one perspective. Cisneros said that in his day.

What I am trying to say is that when I am asked what I hope will happen, there is not just a single path. What I do not believe will happen is that this foolish democracy will continue very long. And this is no novelty.

The Problem of the State

[Question] If the peasantry is, as you say, prenational, what conditions would be needed so that the Peruvian state would not be just a territory but a Peruvian nation?

[Answer] In order to be a bourgeois national state it is necessary to incorporate this group, through the market, culture, communications, etc. Velasco's action in making Quechua an official language did this symbolically. Otherwise, we will return to Uchuraccay from time to time and a pair of anthropologists will always be necessary to understand what is happening. And it will not be long before we have an ethnic movement in the mountains.

[Question] Doesn't it seem to you that Peru is a country in which the political culture is archaic and the state forms are trying to be modern or to imitate modern practices?

[Answer] To be modern from the capitalist or bourgeois point of view, it is necessary to develop state functions which in some way incorporate the requirements of the majority. Popular cooperation meant in a way a leading presence by the state, and for this reason it was successful. But then Velasco came along and, relying on the voluntarism of his military and bureaucratic group, tried to impose a rationality on the organizations which was not inherent in them, to aid them to survive. And he failed.

In order to incorporate these sectors, there is no way other than changing the economic policy. It is that simple. Because one must not forget that they are not only in Ayacucho, Cuzco or Puno, but in Lima as well. Creating a nation means achieving a minimum of homogeneity. A great advance has been made in the last 10 or 20 years, but a national state cannot be created by decree. There are functions which are being incorporated, coalitions which are forming, and when a profoundly antidemocratic economic policy is being pursued, this is the wrong way: all that is achieved is to segregate an increasing number of sectors, those which realize that this state is anti-national.

Whether it pleases or not, Nicaragua currently is a national state and a national society, as is Cuba. What is called socialism in the modern era is national revolution. What is happening in Peru today is that society exceeds the state, but it has not become effective enough to impose its seal. And this is the problem I deal with in my book "Classes, State and Nation in Peru:" the development of a society from its most archaic forms and its confrontation with the oligarchic state, which because it is that is not national, since it favors the privileges of a small sector.

This oligarchic state uses violence to impose itself, violence which is rooted in our society but whose history remains to be written. As there are no organizations--the only channels for reviving the collective memory--these facts vanish and are forgotten. The fact is that this state could not tolerate the organization of the Indians, half-breeds or blacks against the whites. Violence and racism are its characteristics, and it is incredible that no one has written a history of racism in Peru either.

Peru Seen From Outside

[Question] You have just returned from the United States. For some months now, the government has sought to dazzle us with our "fine image" there. What is the image of Peru in government circles?

[Answer] Peru has no importance. I met the official with responsibility for our country, and for coordination with the ambassador, in Washington. Does Peru ever pose any type of problem for the United States, apart from civil aviation matters? What is the difference between our minister of economy and the economic secretary in the United States? The truth is that Peru is not heard in any international forum, whether it be the UN or the Group of 77. Compare this with the crucial importance of Garcia Bedoya for Nicaragua. This is a closed chapter, and no one can imagine a Peruvian minister of foreign relations today putting forth any initiatives. The important countries for the United States are Brazil, Argentina, Mexico, Venezuela and Central America. Just recently, with the problems created by the actions of the Shining Path and the seeming incapacity to combat them, they are beginning to be interested. This is what Pedro Beltran said: that it was necessary to create a vigorous communist party, like that in Chile, in order for the United States to become interested in us.

The Country Today

[Question] Apart from the book you plan to publish, what other work or research are you pursuing currently?

[Answer] We are beginning a study of the urban people's classes in Peru, a new problem on which no work has yet been done. This is a complex project which has several stages: we want to know how the heterogeneous groups of migrants in the country are incorporated in urban life, how they create their own culture, and what the level of their political participation is. I want to return to the empirical sector, and this represents a change for me: I am tired of inference. We will ask direct questions and see what exists. As

this project is planned to cover 2 years, we will be publishing preliminary materials so that it will not be necessary to wait until the whole is completed to obtain some results.

These publications will not be circulated only among social scientists, which are a limited group, but in intellectual circles, among those who create and propagate opinion. This is also something new. This whole expansion of cultural journalism is consistent with the new society being formed.

[Question] Is this your way of "not feeling like a foreigner in this country," as you say at the beginning of your book? What made you decide to pursue a study?

[Answer] The inability to sleep. There are problems which plague me until they become an obsession, and I have to investigate them. I want to know what this new society is, because I sense that I am immersed in it and I do not yet understand it. Belaunde for me represents the past of 50 years ago, reminding me of the civil government era. His political style and his government do not correspond to what the country is today.

5157

CSO: 3348/474

BRIEFS

BANK ROBBERIES, BRIDGE DESTRUCTION--Unidentified armed persons have held up six banks in the last few hours in Lima. A female law student was arrested by the police as a suspect in the robberies, which took place in the Lima districts of Rimac, El Agustino, [name indistinct] and La Victoria. A bridge has been blown up in Ayacucho. Its destruction has been attributed to the armed group Shining Path. [Excerpt] [PA050353 Havana International Service in Spanish 1800 GMT 4 Jul 83]

CHARGES AGAINST POLICE CITED--After they were released, three female students who had been arrested in the city of Ayacucho, Peru, on charges of participating in terrorist acts, said that they were tortured and raped by their captors. These charges were published in the Lima newspaper EL DIARIO MARKA, which blamed the Gurkhas--the name given to the members of a repressive Peruvian police corps, which compares them to the Nepalese mercenaries that serve the British troops--for the actions. The newspaper also reported that soldiers and policemen have executed 10 peasants in (Juinchos), Ayacucho. Other dispatches reported that three presumed members of an armed group trying to take over the town of Sexi in Ayacucho died during a clash with the police. [Text] [PA111701 Havana International Service in Spanish 0000 GMT 11 Jul 83]

CSO: 3348/528

INTERIOR MINISTER DISCUSSES POLITICAL STABILITY

Caracas EL UNIVERSAL in Spanish 13 Jun 83 p 2-1

[Text] We Venezuelans can work and sleep safe in the knowledge that there is no threat to the country's democratic stability, Interior Minister Luciano Valero told newsmen in Cojedes State. He was commenting on statements by political leaders about the dangers of a coup.

Speaking earnestly and emphasizing every word, Minister Luciano Valero stated that there has been democracy in Venezuela for 25 years, a democracy in which the masses have participated, and that one of the contributing factors to this has been the absolutely institutional course of conduct of the Armed Forces.

There is no threat to our democratic stability, the interior minister stated categorically. In fact, those who have taken up arms against our democratic institutions have been defeated both militarily and politically. The government is strong and reaffirms that those who think that they can take power by force are out of step with the times and doomed to failure, adding that such capers lead to the sacrifice of mostly young people that the country needs in other spheres for its development.

A newsman inquired about the operations conducted by security forces in the iron zone, where they broke up what was practically a center for subversion that was said to be the work of Red Flag. Luciano Valero's reply was: "This was the result of patient intelligence work in conjunction with all of the country's police services and the National Armed Forces, which will remain on the alert with such operations to maintain the order and keep the peace."

"I can assure you," Valero said, "that this administration has brought back to the San Carlos Barracks all of the guerrilla leaders who escaped from that and other places of confinement."

"I want to tell you," Minister Valero said, "that we are determined to maintain order, security and peace in the country, especially this year, when we celebrate the 200th anniversary of the liberator and hold the Pan-American Games and the elections for president and our deliberative

bodies. Therefore, we must see to it in our pluralist democracy that all segments of opinion can express themselves freely and have the opportunity to carry out their political plans."

Administrative Visit

The interior minister visited Cojedes State in what was considered an administrative tour to assess the government's performance, which includes, of course, the functioning of public services in the region. In San Carlos he held an important meeting with the services committee, inspected the projects that the government is building and later met with industry and commerce groups. He also met with farmers and ranchers at their union headquarters.

8743

CSO: 3348/470

CALDERA, HERRERA ALLEGEDLY REACH CONSENSUS

Caracas EL DIARIO DE CARACAS in Spanish 12 Jun 83 p 4

[Article by Armando Duran: "Rafael Caldera and Luis Herrera, Together at Last"]

[Text] Gasoline prices are just an excuse. After countless years of personal squabbling, Rafael Caldera and Luis Herrera Campins have reached the fundamental agreement that they should each play their role in the electoral drama.

According to the script, Caldera, with Luis Herrera's blessing, will play the opposition card, even though this might mean subjecting COPEI [Social Christian Party] to a backlash vote, the ignominy of blame and condemnation by the people to the eternal hellfires.

Reality is a curse. This is more or less what President Luis Herrera Campins said in Barquisimeto last Friday. "I have been saying," he asserted when asked about a possible increase in gasoline prices, "that this situation has to be handled with great care. The government has shown," he added, "that it has acted without regard for any political, partisan or electoral consideration, and you're going to see it for yourselves." In other words, the government is firmly preparing to boost gasoline prices, especially for low-octane gas, even if this apparently hurts the presidential candidacy of Rafael Caldera, who on Monday had voiced his opposition to the boost.

The issue, however, transcends the personal battle that the two main leaders of the ruling party have been engaged in for so many years now. If death did not exist, life would make no sense. Hence, there is pleasure simply because we cannot avoid want or pain; as Horkheimer reflected in analyzing the ultimate nature of freedom, this is why utopia is a contradiction. Applied to Venezuela's election landscape, this would mean that an isolated individual (call him Rafael Caldera or Luis Herrera Campins) cannot alter the course of the world. In practice, in spite of everything, all wishful thinking and summer nights aside, Rafael Caldera and Luis Herrera Campins have reached the supreme agreement and made a humble admission of the most accursed reality: each will play along with the other to try and show Venezuelan public opinion that they disagree on absolutely everything.

Perhaps in this basic component of Social Christian practice in Venezuela we can find the origin of the odd contradictions that characterize the current political process. By means of an unprecedented electoral somersault, the tedious competition between Rafael Caldera and Luis Herrera Campins for internal control of COPEI, which has placed them at odds more than once on this or that issue, has now become an election argument that both are manipulating with perverse skill. Although it is true that the enmity between Rafael Caldera and Luis Herrera Campins over these painful years of tragic mistakes has enabled Caldera to pursue an electoral strategy based on opposition to the government, this same strategy that used to irritate Luis Herrera Campins and condemn his men to the worst kind of obscurity is now becoming a common strategy by which Luis Herrera Campins can put forth his party's key policies as if they belonged to Venezuela's bitterest enemies, without their really affecting Caldera's candidacy adversely. Quite the opposite.

The agreement, reached after Caldera's gruff remarks during the debate with Jaime Lusinchi this past 10 May, implies that Luis Herrera Campins will take all necessary measures to finish setting the Social Christian program in motion. Rafael Caldera, for his part, will use his party's political and economic blunders to widen the false gap between him and the administration and COPEI, in exchange for which the president's friends will play an active role in the election campaign and get their quotas on the slates of candidates for Congress, the Legislative Assemblies and the Municipal Councils.

This is, of course, a peculiar approach and way of doing things, a sort of fetish and self-delusion elevated to the status of normality thanks to the risky theory of an ideology (the ideology of power) that mistakes itself for the world, that identifies the needs of its leaders with the needs of the country and purely individual satisfactions with those of society. In practice, Rafael Caldera's dangerous game is to try to win back the presidency of the republic, even though the effort might carry the high price of condemning his party to the eternal hellfires by triggering a backlash vote against COPEI and against President Luis Herrera Campins's administration. This is unprecedented in Venezuela's electoral history, but he sees it as the only way to escape ignominy and

The country knows that it is unfair to blame Luis Herrera Campins and his administration exclusively for this drama that has no foreseeable denouement. Politically, Rafael Caldera's message (that he is the only Venezuelan capable of straightening out what Luis Herrera Campins has messed up) is untrue. At the polls, however, it could be useful to COPEI. Therefore, President Luis Herrera Campins has wound up accepting it. In any event, whoever wins the elections on 4 December, two of his men, Leopoldo Diaz Bruzual and Humberto Calderon Berti, will control the two real centers of national power, the Central Bank of Venezuela and Venezuelan Petroleum, respectively. Only one dark shadow hangs over Rafael Caldera's and Luis Herrera Campins's suicidal plan. If

Rafael Caldera fails to win over the hearts and minds of Venezuela, his defeat will mean not only handing over the presidency to the opposition but also that COPEI will be in such disarray after this traumatic election experience that its rubble will be worth little when the time comes to think about the future.

The issue is academic, however. The important thing is Miraflores (even though COPEI has men like Pedro Pablo Aguilar who would rather think about the party's continued existence), and all other considerations are as naive and irrelevant as a declaration of love. The important thing is Miraflores, and Luis Herrera Campins has come to the conclusion that it is better to come to terms with Rafael Caldera, help him in his election game plan of fictitious disagreements and look to a future that, whoever wins, will demonstrate that he, his presidency aside, is the great humorist that Venezuelan history and literature have not yet discovered.

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CSO: 3348/471

DISAGREEMENT AMONG LUSINCHI'S CAMPAIGN STRATEGISTS REPORTED

Caracas EL DIARIO DE CARACAS in Spanish 13 Jun 83 p 7

[Article by Miguel Conde: "An Encapsulated Candidate"]

[Text] According to an unexpected indiscretion that was confided to me, things have not been going well lately at Lusinchi's campaign headquarters, which are run by Lepage, especially after Caldera's huge rally in Barcelona, which is in the very heart of the native region of the candidate and of other prominent AD [Democratic Action] leaders.

To be more exact, the frictions among Lusinchi's campaign strategists can no longer be concealed; they are confused and disconcerted, hurling harsh accusations at each other without restraint.

I have been told even more specifically that the atmosphere there is one of mounting and uncomfortable nervousness, due not only to the rally in Barcelona, which was indeed spectacularly large and enthusiastic, or to the recent big gatherings that Caldera has brought out in various cities and neighborhoods, but also to the way in which the numbers have been moving in the polls.

The polls are what have most disheartened the Lusinchi strategists, with their dramatic and ominous revelation that their candidate has peaked and is on a rapid decline.

It is these objective developments (the relentless campaign strides of Rafael Caldera and the foreseeable collapse of Lusinchi in the eyes of public opinion) that are heightening the tensions and distrust at Lusinchi headquarters and triggering angry discussions that neither dispel the strategists' fears nor lead to responses that are acceptable to all and, therefore, capable of putting an end to the maddening confusion in which they are mired.

I have been told, in fact, that these angry discussions are dominated by two opposing positions both of which sidestep the realities that they are supposed to confront and deal with.

On the one hand, there are certainly those who feel that the candidate loses votes every time he makes a public appearance and therefore propose returning to the strategy of keeping him under wraps so that the country will not notice his weak image and the superficiality of his ideas. The opposing argument is that this is inappropriate and impossible as long as Caldera is taking to the streets in convincing fashion and showing up at every forum and grandstand.

In short, the Lusinchi camp is caught on the tragic horns of a dilemma: if the candidate is not kept hidden, he will inevitably lose votes, and if the candidate does keep a low profile, Caldera will have no competition in the streets and will attract votes.

Under these circumstances, it is not unlikely that in order to end the intolerable debate that has set them at odds, the Lusinchi campaign people will ultimately conclude that the best move would be to change candidates.

But that would be an unreasonable dodge, because in spite of everything Lusinchi is still the best candidate that AD could run.

8743

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POLITICAL COMMITTEE RATIFIES AD-URD ELECTORAL PACT

Caracas EL DIARIO DE CARACAS in Spanish 12 Jun 83 p 2

[Text] With former presidential candidate Luis Pinerua Ordaz casting the lone dissenting vote, the National Political Committee of Democratic Action (AD) yesterday ratified the electoral pact with the Democratic Republican Union (URD).

This was one of the three items on the agenda of the National Political Committee, which is made up of the members of the National Executive Committee, nonexecutive political secretaries and the general secretaries of the sections throughout the country. The members of the National Strategy Commission, the National Campaign Command and the National Commission of Electoral Finances make up the rest of its 94 constituents in all.

Manuel Penalver reported that the pact with Jovito Villalba's party was approved by all members of the National Political Committee except Luis Pinerua Ordaz. He added that under party bylaws such pacts have to be ratified by the committee. With regard to other sorts of pacts and alliances with independent sectors, he said that this is up to the National Executive Committee and the presidential candidate himself.

It has been remarked that the pact with the URD implies that AD will guarantee it at least its current congressional representation, in other words, eight deputies and two senators. Penalver indicated in this regard, partly evading the issue and partly justifying the move, that "all political alliances have their price. This involves minor details that the party will look into, based on the facts and in accordance with the candidate, who has the last word."

The issue of alliances was amplified on in an interview with the AD secretary general. He stated that if his party wins the election, it would form a government with other sectors. Specifically, he said: "With all the democratic sectors that agree with our platform, with our guidelines and with the program that we are going to present to the electorate. We are calling for broad-based support. This first step with the URD gives our candidate backing beyond the confines of our party and of the independent sectors that always support us."

He then went on to say: "Ever since he became a candidate, Jaime Lusinchi has said that he was going to form a broad-based government of national integration, a government of dialogue, of understanding. The party has allied itself with the URD to show that his assertions were sincere."

8743

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CPN APPROVES CHANGE IN AD CAMPAIGN STRATEGY

Caracas EL DIARIO DE CARACAS in Spanish 13 Jun 83 p 4

[Article by Pastor Heydra]

[Text] The decision by AD's National Political Committee (CPN) to replace its "low-profile" strategy with a more aggressive, harder-hitting and bolder campaign vis-a-vis COPEI, Caldera and the administration will heighten the battle between the two parties, lead to extreme polarization and foreshadow new political styles and relations.

The official decision to alter the low-profile campaign strategy that AD had been pursuing was the major development during the 9th week of the campaign.

Confident of its strong hold on first place in the polls and relying on the unpopularity of the COPEI administration and on the country's economic situation, which has created a minefield of problems for its main election adversary, AD had been pursuing a mild, unspectacular, easy-going election campaign designed mainly to assert as minimal a public presence as such a campaign will allow.

This so-called "low-profile" approach was characterized by:

--A vague and positive political message.

--Weak, inconsistent and almost nonexistent responses to COPEI's aggressive campaigning; this stemmed from, among other things, an inflexible approach and a certain reverential fear of Caldera among certain top-echelon AD leaders.

--The lack of strong and consistent criticism of government actions

--Discreet public appearances by its candidate and main leaders, which is not in keeping with the interest they have aroused among voters.

--Greater attention to the routine aspects of AD life than to the demands, desire for change and emotions of the population, which sees the party and its candidate, Jaime Lusinchi, as an alternative and a solution to the country's problems.

--A lack of creative activities to channel grassroots concerns among important segments such as young people, new voters and the workers.

--Insufficient use of national leaders in campaign activities and of popular leaders such as Carlos Andres Perez.

--Timid, soft-hitting and uncreative TV advertising and inadequate use of radio.

--Inadequate use of independent figures. The party has begun to correct this through the support that the URD [Democratic Republican Union] and its leader Jovito Villalba have lent it, which has helped to give it a broader, more national image.

--Insufficient emphasis on its basic proposal, social democracy, on its desire for change and on its ability to develop specific answers to specific problems.

--The inconsistency between its theoretical principles and practical courses of action, which it has not clearly spelled out.

--The AD headquarters had been planning to make changes in its campaign and begin a new stage in July, after the voter registration process was completed, for which the party has organized to see to it that as many citizens as possible comply with this legal requirement. However, it was forced to alter its strategy because of COPEI advertising blitz; Rafael Caldera's incessant activities and presence at every possible forum; the start of COPEI's dirty campaign tactics; the virtual resolution of COPEI's internal problems as the Herrera and Pedro Pablo factions decided to get seriously involved in the campaign; the temporary lull in the longstanding rivalry between Caldera and Luis Herrera for the Social Christian leadership, and some slight shifts in the election outlook.

Although the AD decision will not have immediate repercussions, it should begin to make itself felt by July. This would help Jaime Lusinchi's candidacy a great deal because it would help to restrain overconfidence, to expand the involvement of other political sectors and of independents, to strengthen the party and to develop the initiatives and creative potential that it possesses, to galvanize and organize grassroots discontent with the Social Christian administration and to publicize the proposals for change in the platform of "social democracy."

This will give a new dimension to the election campaign, which to judge by the preparations in the main political organizations, will be full of ideological and organizational confrontations, as well as aggressive, hard-hitting debate. This foreshadows new styles and relations in the Venezuelan political system. Furthermore, it will further polarize the electorate, at the expense of the leftwing groups.

--Another significant development at the meeting of the AD National Political Committee was Luis Pinerua's total isolation in the party. Pinerua has become a sort of Quixote, followed only by his faithful sidekick Marco Tulio Bruni Celli.

All indications are that Pinerua will continue his one-man battle, which could set the stage for further political scandals. The majority of AD leaders seem resigned, because of electoral considerations, to tolerate Pinerua until it is all over. Gonzalo Barrios termed Pinerua's stands "impertinent," saying they were "applauded by AD's enemies."

--One of the burning problems in any election campaign is drawing up slates of candidates. This past week, COPEI announced that a commission would take charge of the matter. To judge by its pluralist makeup and the adverse circumstances surrounding Caldera's candidacy, we are led to believe that COPEI will come up with solutions that are acceptable to all factions.

--The MAS [Movement Toward Socialism] did likewise, beginning the regional consultations on who its candidates for deliberative bodies will be. Meanwhile, the MIR [Movement of the Revolutionary Left] met on Sunday to decide once and for all which leaders it will run on its slates and for the posts that MAS assigned it under the election pact that they hammered out.

--AD has not yet made any decisions in this regard, but would-be candidates are busily trying to secure backing from the "bigwigs" and the presidential candidate. There is constant movement to and from the AD's National Executive Committee building, "La Ermita" and the "Urinoco" Tower.

--The people who support Rangel will not run on a single slate; instead, each will present his own slate, and the possibility of bilateral alliances should not be ruled out.

The Social Christian candidate is keeping constantly active, in a bid to move up in the polls in one way or another and create the feeling that he is a valid alternative to Jaime Lusinchi, who is far out in front.

COPEI's aggressive strategy is consistent with its intentions and has enabled it to keep the initiative and dictate the pace of the campaign. This could change now that AD has decided to toughen its attacks on the administration and the Social Christian candidate, which will quickly tend to polarize the electorate and make the campaign as "red-hot" as in other countries.

This week Caldera continued trying to put distance between himself and the administration with his announced opposition to the increase in gasoline prices, while Luis Herrera, in contrast, refused to shirk his party responsibilities and stated that he would do what COPEI says.

Given the extremely complex personalities of the two Social Christian leaders, we can surmise that in spite of their rivalry and this apparent difference of opinion, they have reached an understanding that each will play a specific role: Caldera at a distance from the administration so he can wage his uphill battle and Luis Herrera helping behind the scenes and paving the way for a return to the internal struggle. Indeed, the Herrera faction's joining the campaign is a sign that problems have temporarily subsided in COPEI.

COPEI continues to emphasize the importance of a debate, and AD's inaction has helped it. This will seemingly be one of the central issues of its campaign.

8743

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AIR FORCE EQUIPMENT, CAPABILITIES SURVEYED

Bonn TECNOLOGIA MILITAR in Spanish May 83 p 23

[Text] The Venezuelan Air Force can be considered one of the most modern in South America. The aircraft of which it consists are:

Twenty-five Canberra B.82/88/PR.83/T.84's; 17 CF-5A/D's; 9 Mirage III EV's; 7 Mirage 5-V/DV's; 16 OV-10E Broncos; 24 T-2D Buckeyes; 25 T-34's; 1 B-737; 1 Hs. 748; 2 Cessna Citations; 15 Douglas C-47's; 12 C-123B's; 1 Gulfstream 5 C-130 H; 3 Super King Airs; 5 Queen Airs; 12 Cessna 182's; 14 Alouette III's; 7 Bell 206's; 2 Bell 214 ST's; 2 Bell 412's; 14 Bell UH-1D/H/N, as well as several F-86K's of a total of 20 that it purchased.

The Air Force will receive 24 F-16A/B's, 19 CF-5A/D's and 2 Aeritalia G.222's in 1983.

Although the country's economic potential would lead us to conclude that it could have an even more powerful and modern Air Force, it is also true that when it takes shipment of the 24 F-16's, it will have the most sophisticated hardware in the region. The possibility of a Cuban attack on Venezuela's oil deposits has been of deep concern to the United States (its main customer), and hence there have been no stumbling blocks to the sale of the F-16's. Washington will feel much more at ease when the planes are totally operational because they will effectively monitor Venezuela's air space. The purchase of 24 BAE Hawks was called off because of the fighting in the Falklands. To replace them the Venezuelan Government has chosen to buy 19 CF-5A/D's, which used to belong to Canada and which offer much older technology. Nevertheless, the Venezuelan Government has demonstrated noteworthy political resolve with this move.

The COIN missions are performed by the 16 Broncos and by 12 of the 24 Buckeyes that the Air Force has. The air transport fleet needs to be modernized, and this has begun with the acquisition of the G.222's from Aeritalia. Antisubmarine warfare is entrusted to naval aviation, which has 4 Hu-16 Albatrosses, 6 S-2E Trackers and 10 AB-212 ASW's, which are obviously inadequate and obsolete except for the AB-212 ASW's. This fleet must be urgently upgraded, especially in light of the country's

offshore oil rigs and the increasingly numerous Soviet submarines in Atlantic waters.

The army has several multipurpose aircraft and helicopters, as does the National Guard. In addition to the aforementioned units, the navy has several other units specially earmarked for transport.

8743

CSO: 3348/470

BRIEFS

DISIP FREES RED FLAG MEMBERS--Puerto Ordaz, 12 Jun--Ten of the 24 individuals detained by DISIP [Directorate of Intelligence and Prevention Services] on charges of belonging to the "Trino Barrios" guerrilla cell of the Red Flag subversive group have been released. They are Antonio Ramirez; Samuel Antonio Brown Piter, who works for SIDOR [Orinoco Iron and Steel-works]; Matilde Diaz; Marcos Marcelino Goite, a worker at Ladruga Icoa; sociologist Luis Alberto Cumana, who works for the CVG [Venezuelan Corporation of Guayana]; Jose del Valle Quesada Lopez; Pedro del Carmen Marcano; Jansen Alfredo Ramirez; David de Jesus Matos Leal and Henry Aray. DISIP sources reported that it is attempting to corroborate the charges against Carlos Cabral, the engineer who serves as the head of security at EDELCA [Caroni River Electrification Project]. The remaining 14 detainees could be transferred at any time to La Pica Prison in the state of Monagas on orders from the military tribunals. DISIP also said that it has called off its searches for now, because everything has been cleared up. The present course of action, in conjunction with the National Guard, is to intensify all types of surveillance at the basic enterprises in the iron zone, including Sidor and Guri, to make sure that their facilities are secure and to protect them against sabotage. [Text] [Caracas EL UNIVERSAL in Spanish 13 Jun 83 p 2] 8743

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July 26, 1983